

**EXHIBIT 14**

**REDACTED CONTENT**

**FILED UNDER SEAL**

1  
2 UNITED STATES DISTRICT COURT  
3 SOUTHERN DISTRICT OF NEW YORK

4 -----  
5 SERGEY LEONTIEV,

6 Plaintiff,

7 -against-

8 ALEXANDER VARSHAVSKY,

9 Defendant.

10 Case No. 1:16-cv-03595-JSR  
11 -----

12 January 3, 2017

13 10:04 a.m.

14 \*\*\* CONFIDENTIAL \*\*\*

15 DEPOSITION of SERGEY LEONTIEV,  
16 taken by Defendant, pursuant to Notice,  
17 held at the offices of DEBEVOISE &  
18 PLIMPTON LLP, 919 Third Avenue, New York,  
19 New York before Wayne Hock, a Notary  
20 Public of the State of New York.  
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A P P E A R A N C E S:

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ALSO PRESENT:

JONATHAN POPHAM, Videographer

P. ELANA PICK, Ph.D.,

Interpreter

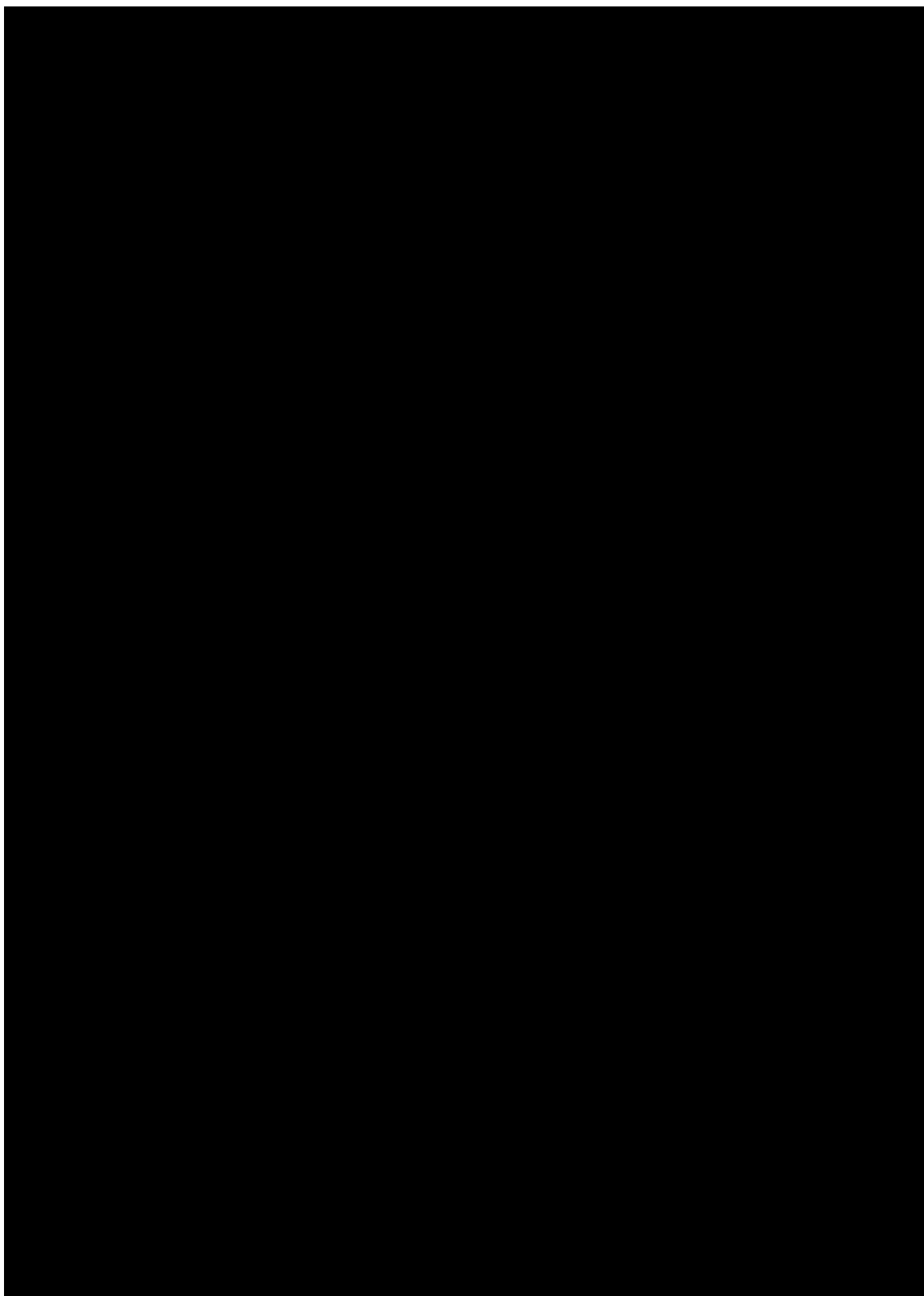
VLADIMIR KHRENOV

ALEKSEI ROMANOVSKI

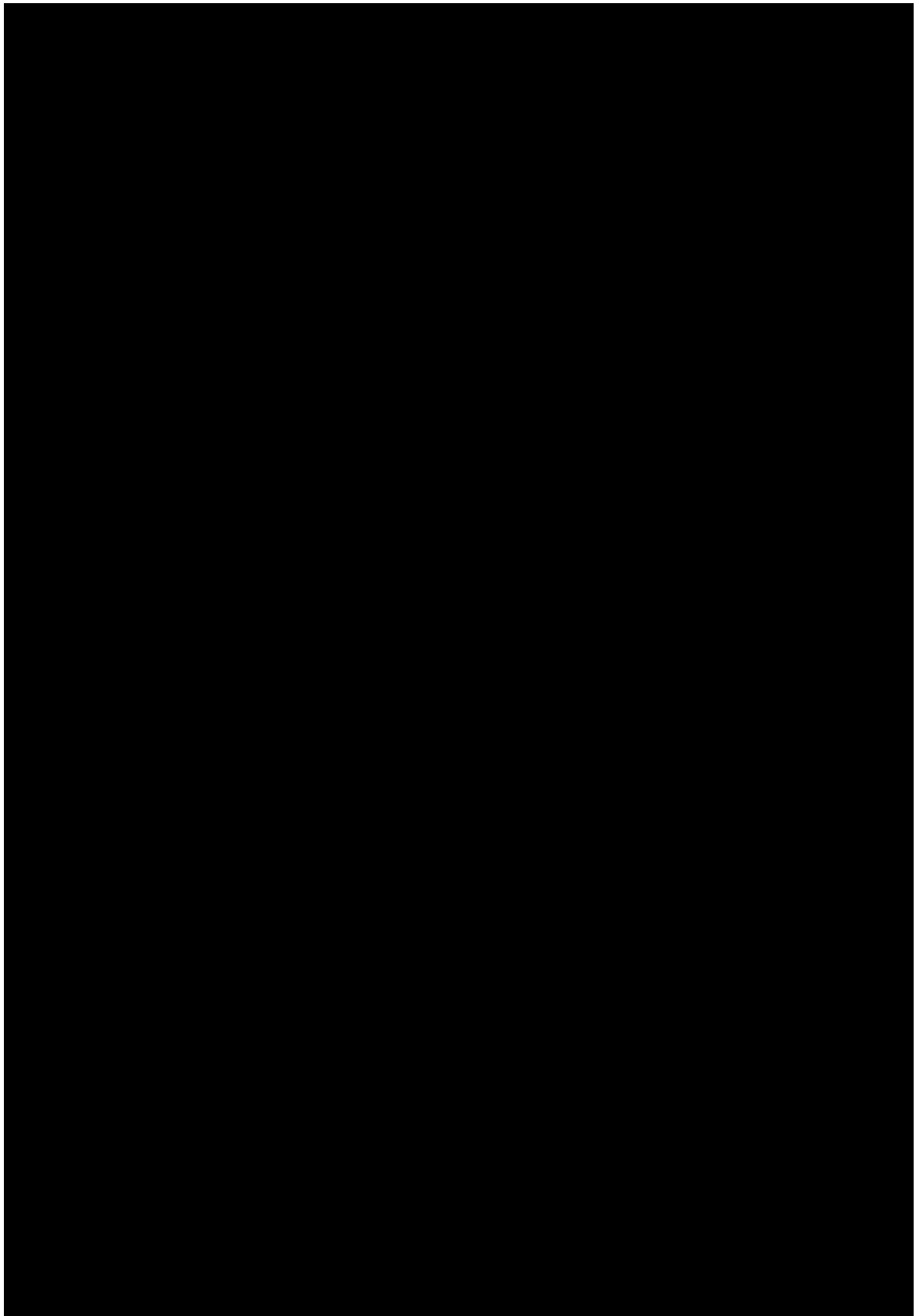
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S. Leontiev -- CONFIDENTIAL

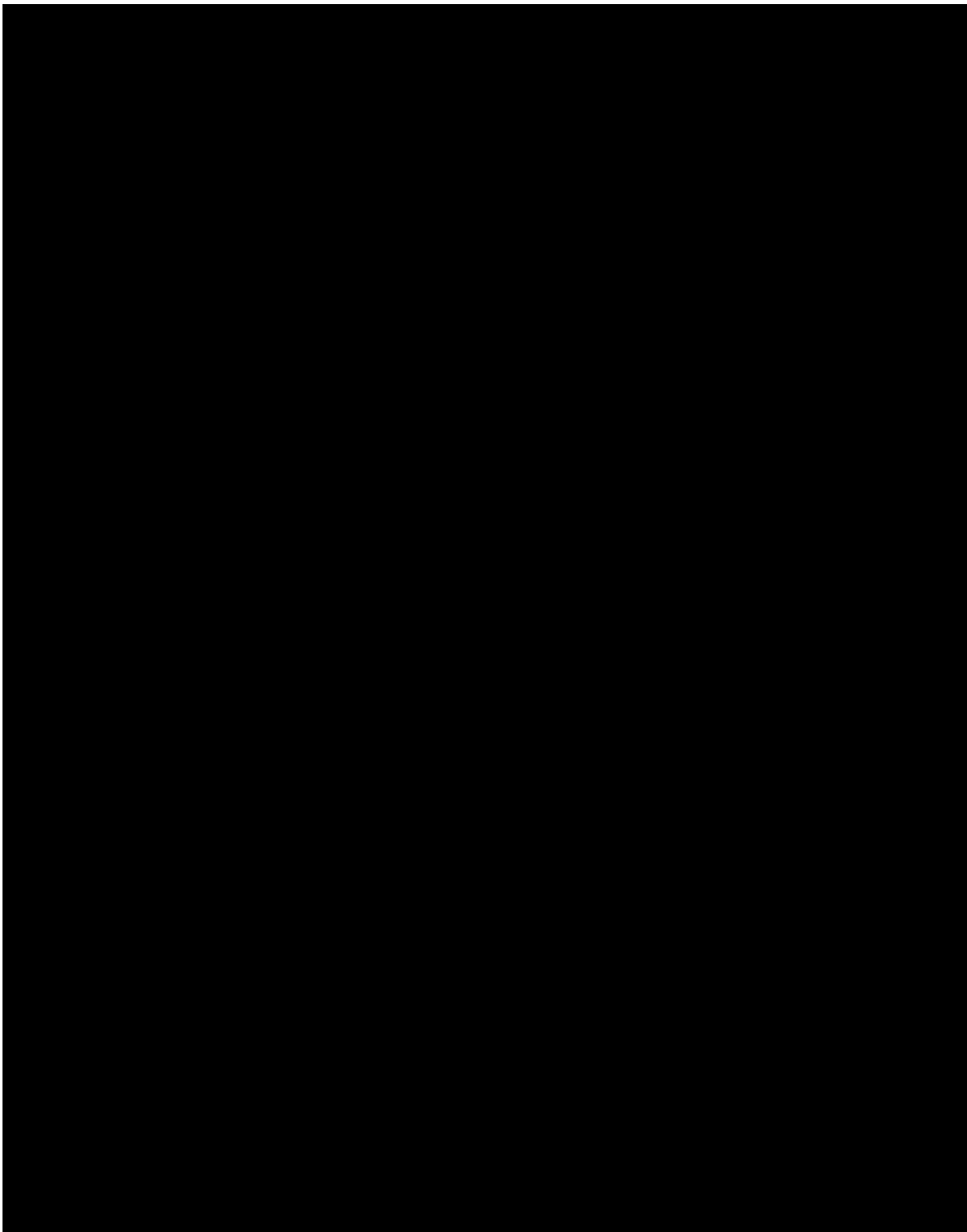
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23 Q. What was his role at  
24 Probusinessbank?

25 A. He was head of the department.

1 S. Leontiev -- CONFIDENTIAL

2 Q. Which department?

3 A. Analytical department or shares.

4 Q. For?

5 A. Investments in shares or general  
6 investments.

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23 Q. Who is Mr. Panteleev?

24 A. He was vice president of the  
25 bank.

1 S. Leontiev -- CONFIDENTIAL

2 Q. What was his role at the bank?

3 A. He was head of business unit.

4 Q. Head of?

5 A. Business unit.

6 Q. Which unit?

7 A. He was doing some businesses in  
8 retail loans.

9 Q. He was responsible for retail  
10 banking operations?

11 A. Not whole retail, just some  
12 business units.

13 Q. Okay.

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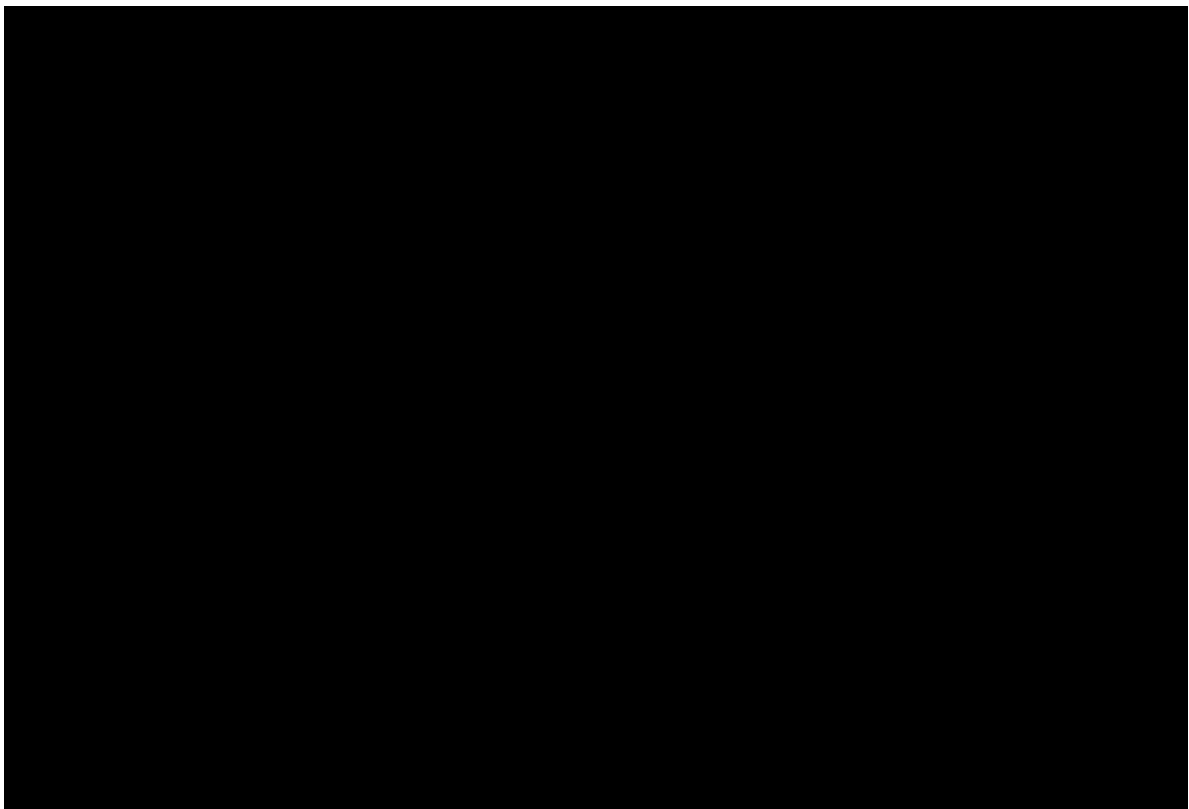
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2 citizenship?

3 A. No.

4 Q. Do you know where she is now?

5 A. No.

6 Q. You don't know where she lives?

7 A. No.

8 Q. What was her role at the bank?

9 A. She was the head of department  
10 for off-balance-sheet companies of the  
11 bank.

12 Q. For off-balance-sheet companies?

13 A. Yes.

14 Q. We'll come back to that.

15 Yaroslav Alekseev?

16 MR. WEIGEL: What about Yaroslav  
17 Alekseev?

18 Q. Do you know who that is?

19 A. He was vice president and head  
20 of department.

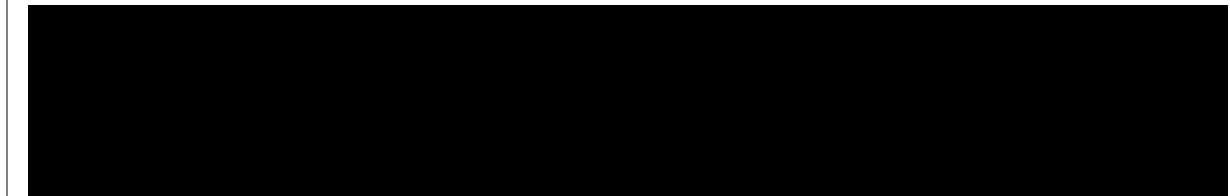
21 Q. Which department?

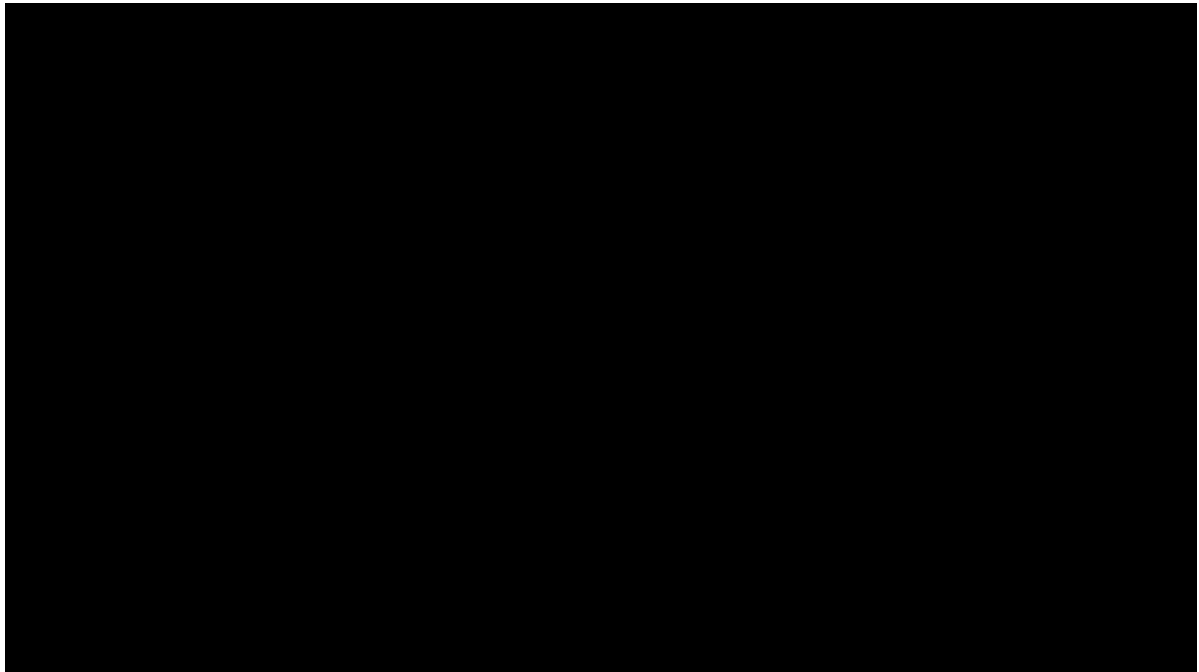
22 A. Wealth management products.

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MR. WEIGEL: Sean, excuse me for a minute, can you give me some clue as to why this might have some relevance to this lawsuit?

MR. HECKER: Mr. Weigel, the relevance concerns whether certain witnesses have received financial support from Mr. Leontiev. I'm going to continue asking the questions unless you instruct him not to answer the questions.

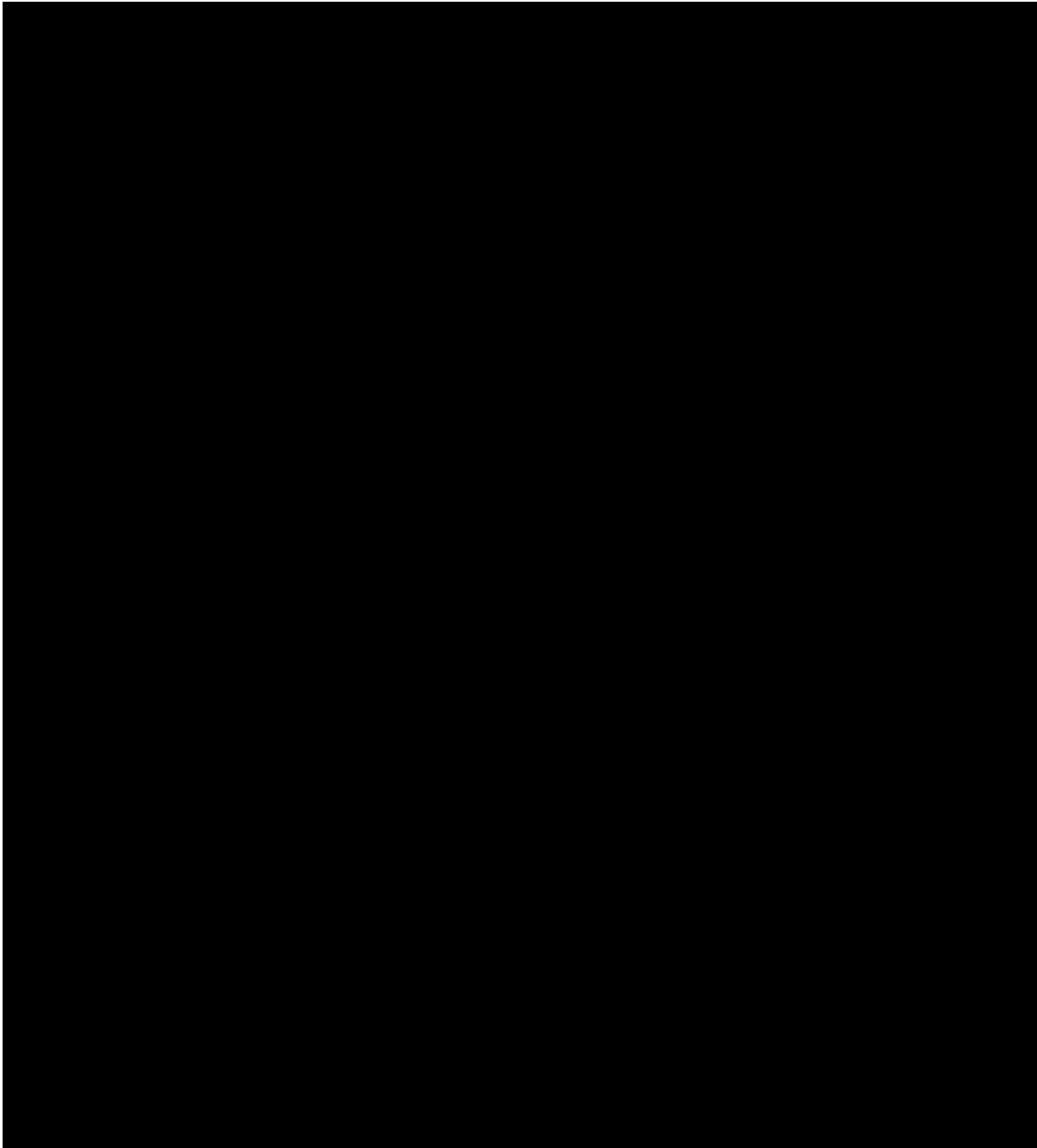
MR. WEIGEL: Well, none of these people are witnesses, so far as I know.

Are you representing that these

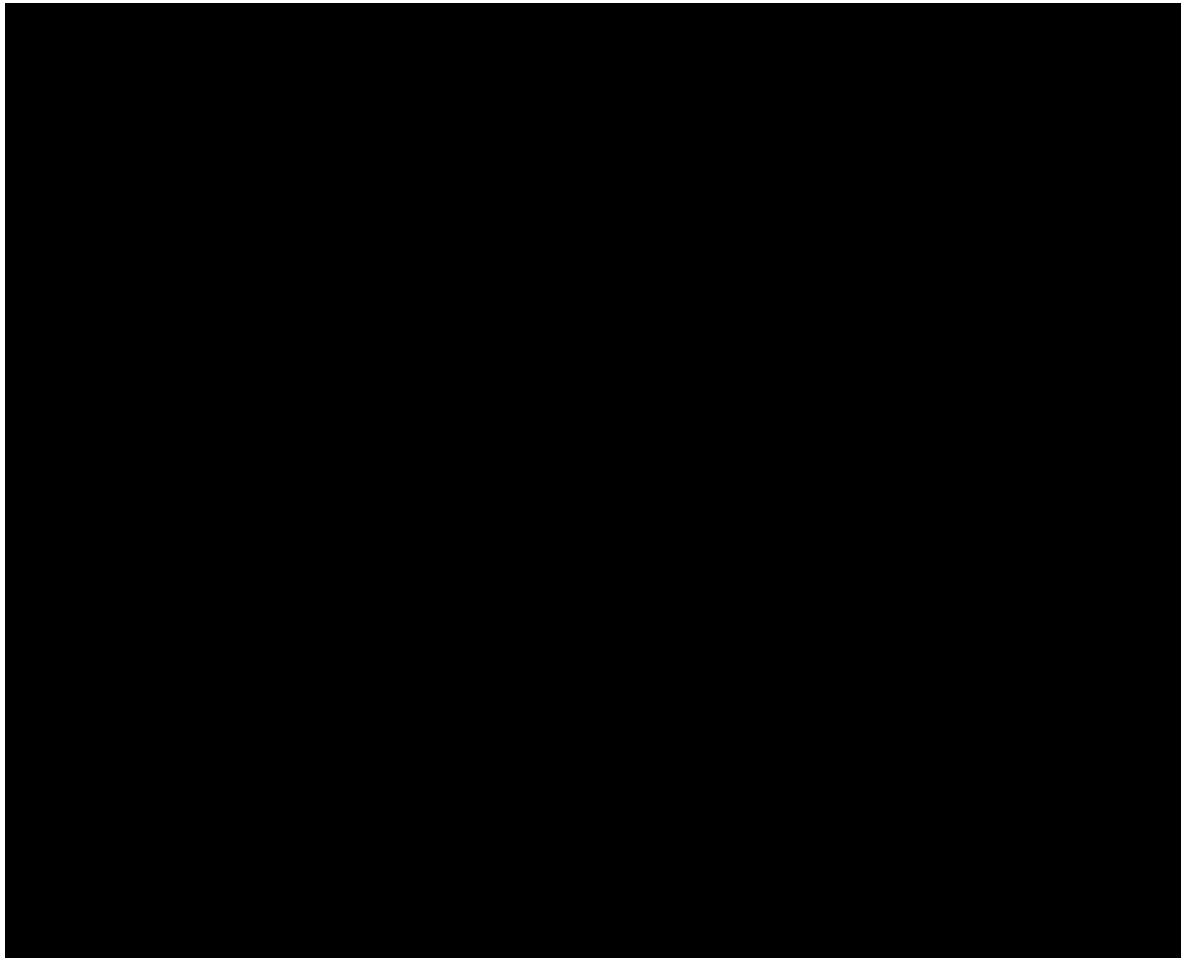
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S. Leontiev -- CONFIDENTIAL  
people are witnesses in the case?

MR. HECKER: Some are, some  
aren't. I'm going to continue asking  
questions.



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Q. Now, have you ever actually  
lived in Cyprus?

A. Several months.

Q. When?

MR. WEIGEL: I'm going to  
instruct him not to answer. Let's  
move on. This has nothing to do with  
this lawsuit at all.

MR. HECKER: Whether he lived in  
Cyprus?

MR. WEIGEL: Yes, why does that

1 S. Leontiev -- CONFIDENTIAL

2 Q. And have you stepped foot in  
3 Moscow --

4 MR. HECKER: Strike that.

5 Q. Have you stepped foot in Russia  
6 since August, 2015? Have you been to  
7 Russia since August, 2015?

8 A. No.

9 Q. Since August of 2015, have you  
10 been present in the United States?

11 A. I came to the United States  
12 either end of August or beginning of  
13 September.

14 Q. Okay.

15 And since that time, have you  
16 remained in the United States?

17 A. Yes.

18 Q. You haven't traveled outside the  
19 United States?

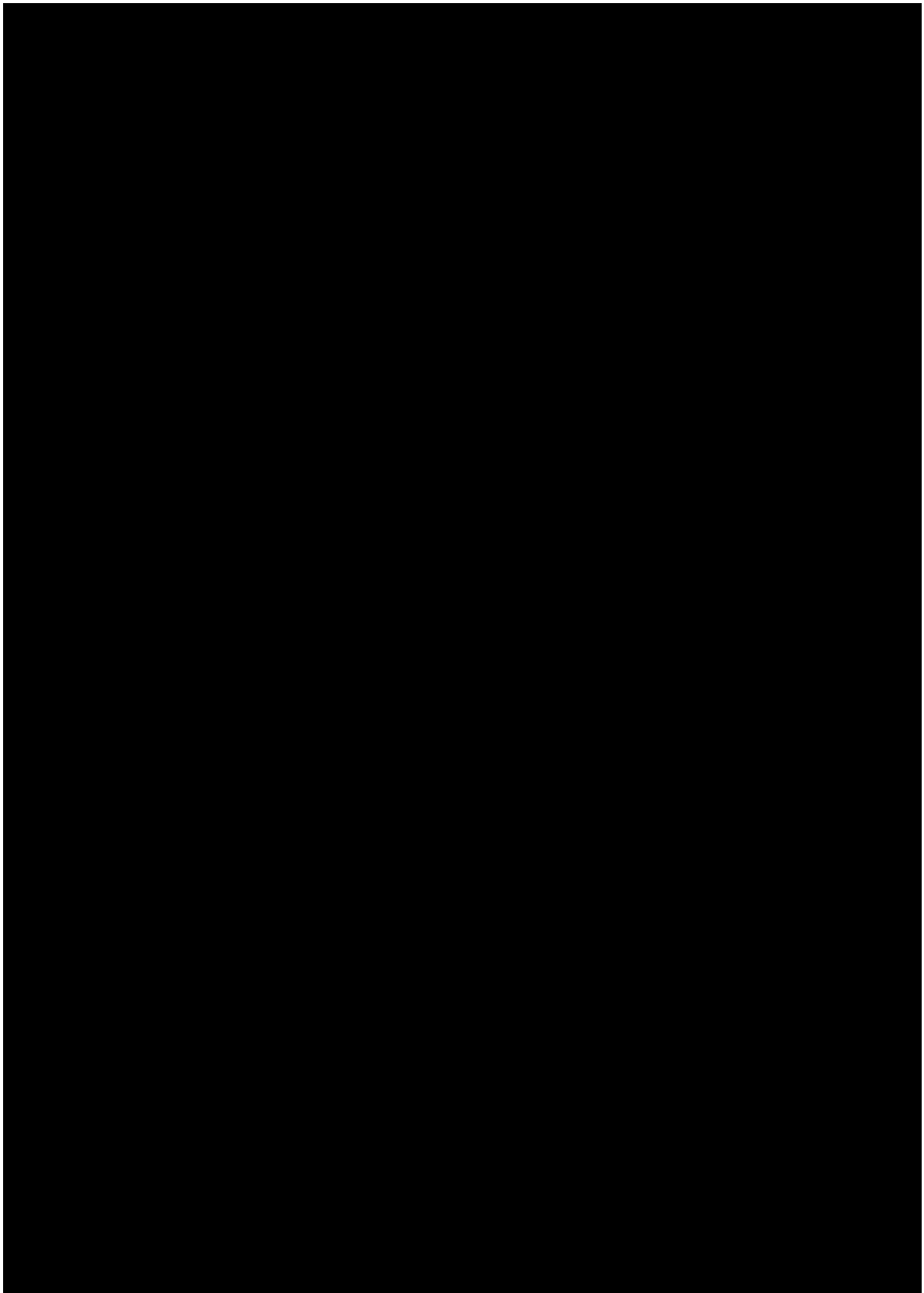
20 A. Sorry?

21 Q. You haven't traveled outside the  
22 United States since you moved here?

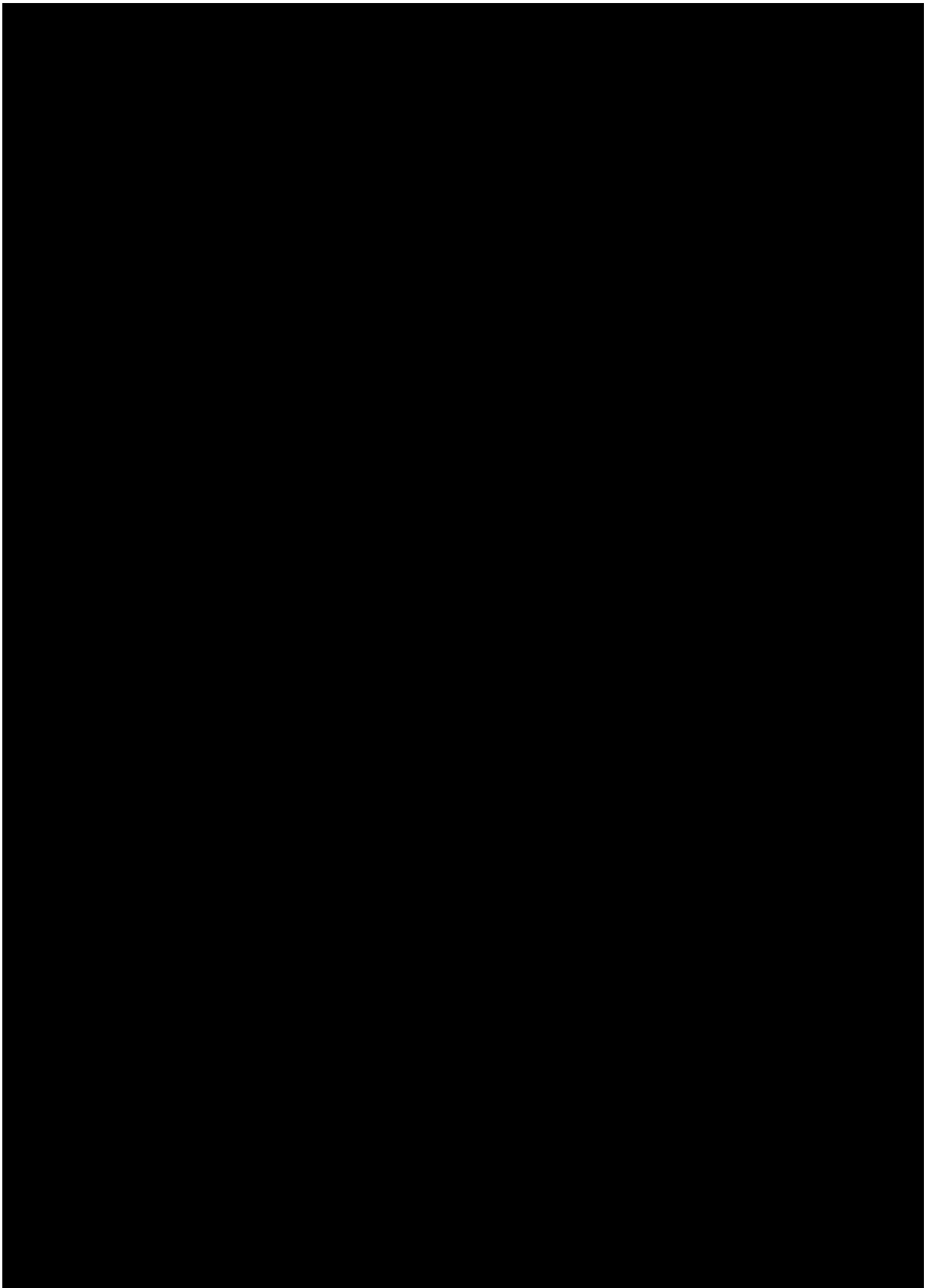
23 A. I haven't traveled.

24 Q. And are you a citizen of any  
25 countries other than Russia and Cyprus?

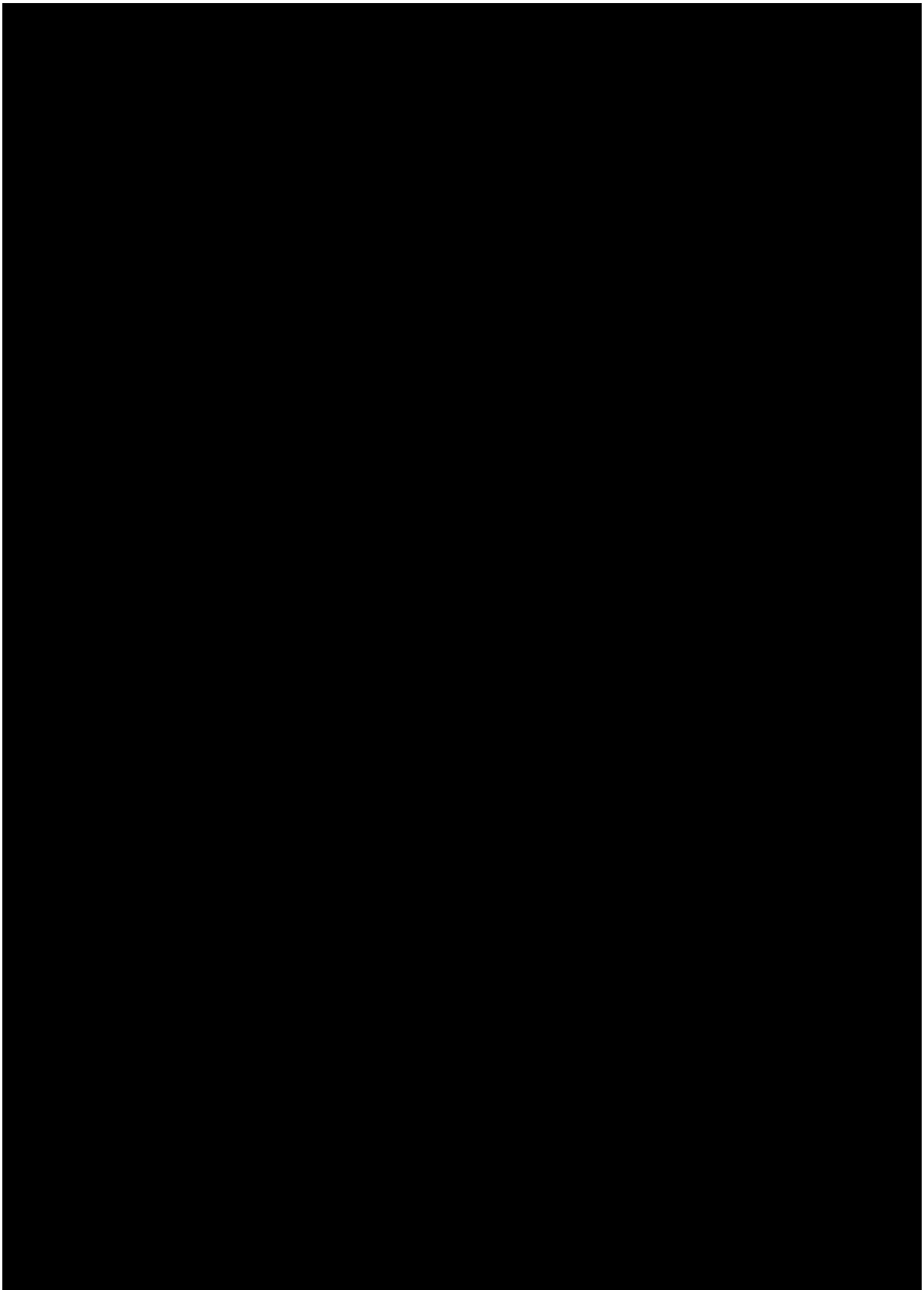
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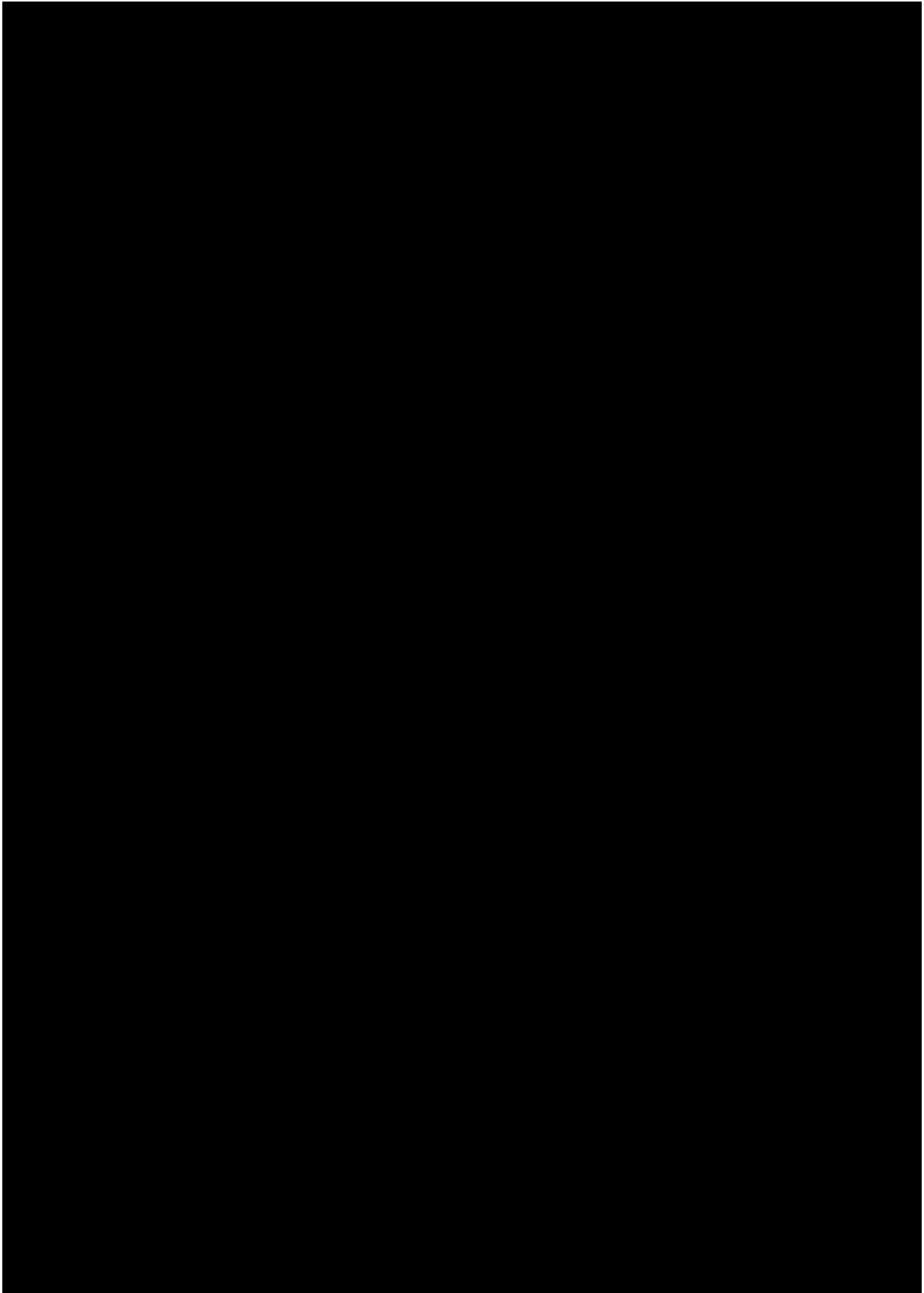


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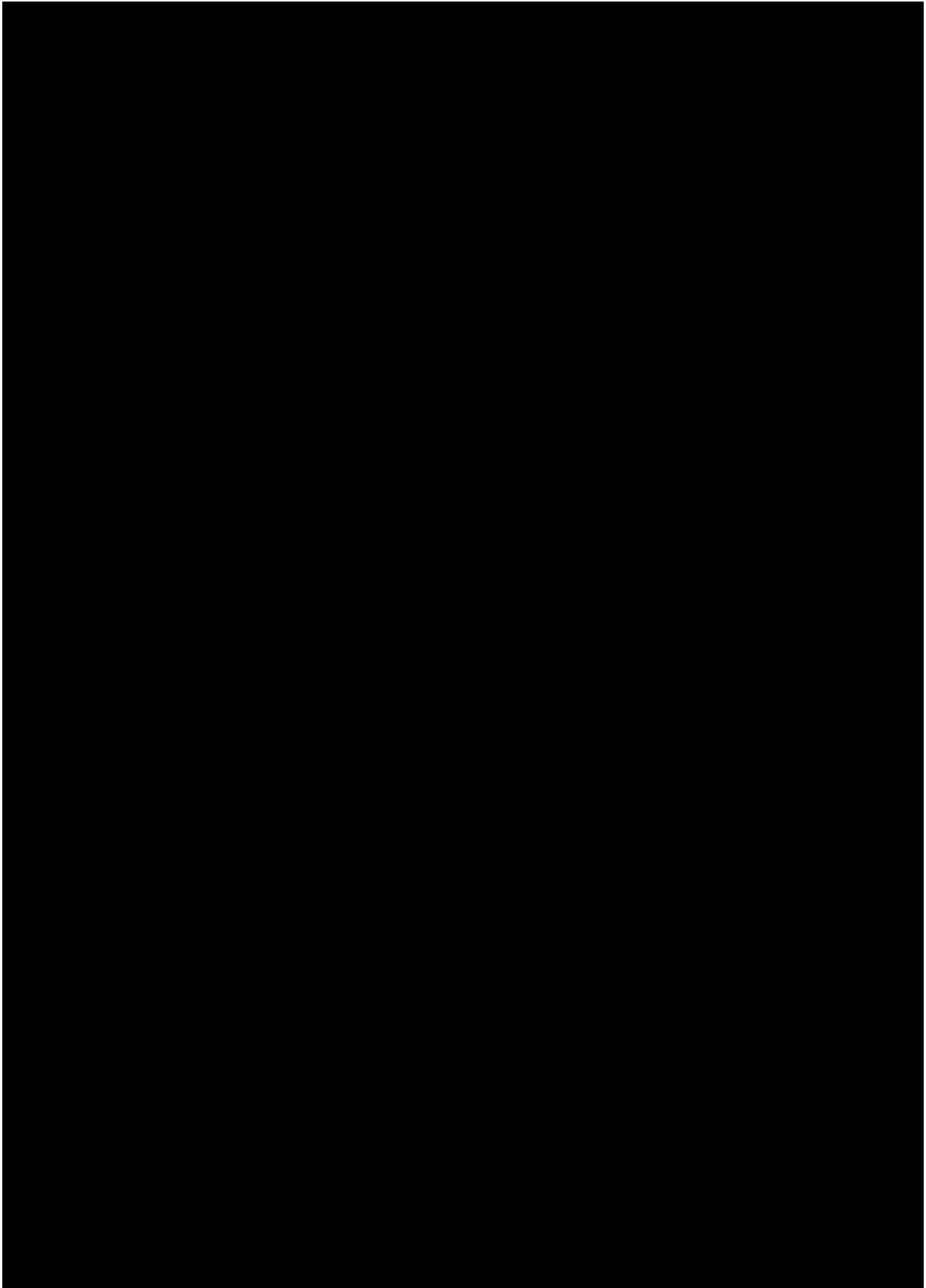




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1 S. Leontiev -- CONFIDENTIAL

2 Q. How you what, I'm sorry?

3 A. How you evaluate the assets.

4 Q. How you value them?

5 A. Yes.

6 Q. Mr. Leontiev, what's your  
7 current immigration status in the United  
8 States?

9 A. L-1 visa.

10 Q. When did you obtain an L-1 visa?

11 A. A year ago.

12 Q. Am I correct that an L-1 visa is  
13 given to executives of foreign companies  
14 that establish a branch in the United  
15 States?

16 A. Yes.

17 Q. And how did you obtain an L-1  
18 visa to live in the United States?

19 A. As an executive for --  
20 established a branch.

21 Q. As an executive of what entity?

22 A. Wonderworks.

23 Q. When did you become an executive  
24 of Wonderworks?

25 A. No, executive of Grid Research.

1                   S. Leontiev -- CONFIDENTIAL

2           Q.       Well, which one?

3           A.       I am an executive of Grid  
4   Research.

5           Q.       When did you become an executive  
6   of Grid Research?

7           A.       A year ago.

8           Q.       So prior to the visa  
9   application, you were not an executive of  
10   Grid Research?

11          A.       I was an owner of Wonderworks.

12          Q.       But you didn't have a title; is  
13   that correct?

14          A.       I was main shareholder and chief  
15   investment officer. I did have a title.

16          Q.       You had a title at Wonderworks  
17   of chief investment officer?

18          A.       Yes.

19          Q.       Prior to the time you applied  
20   for your visa?

21          A.       Yes.

22          Q.       Who gave you that title?

23          A.       The company.

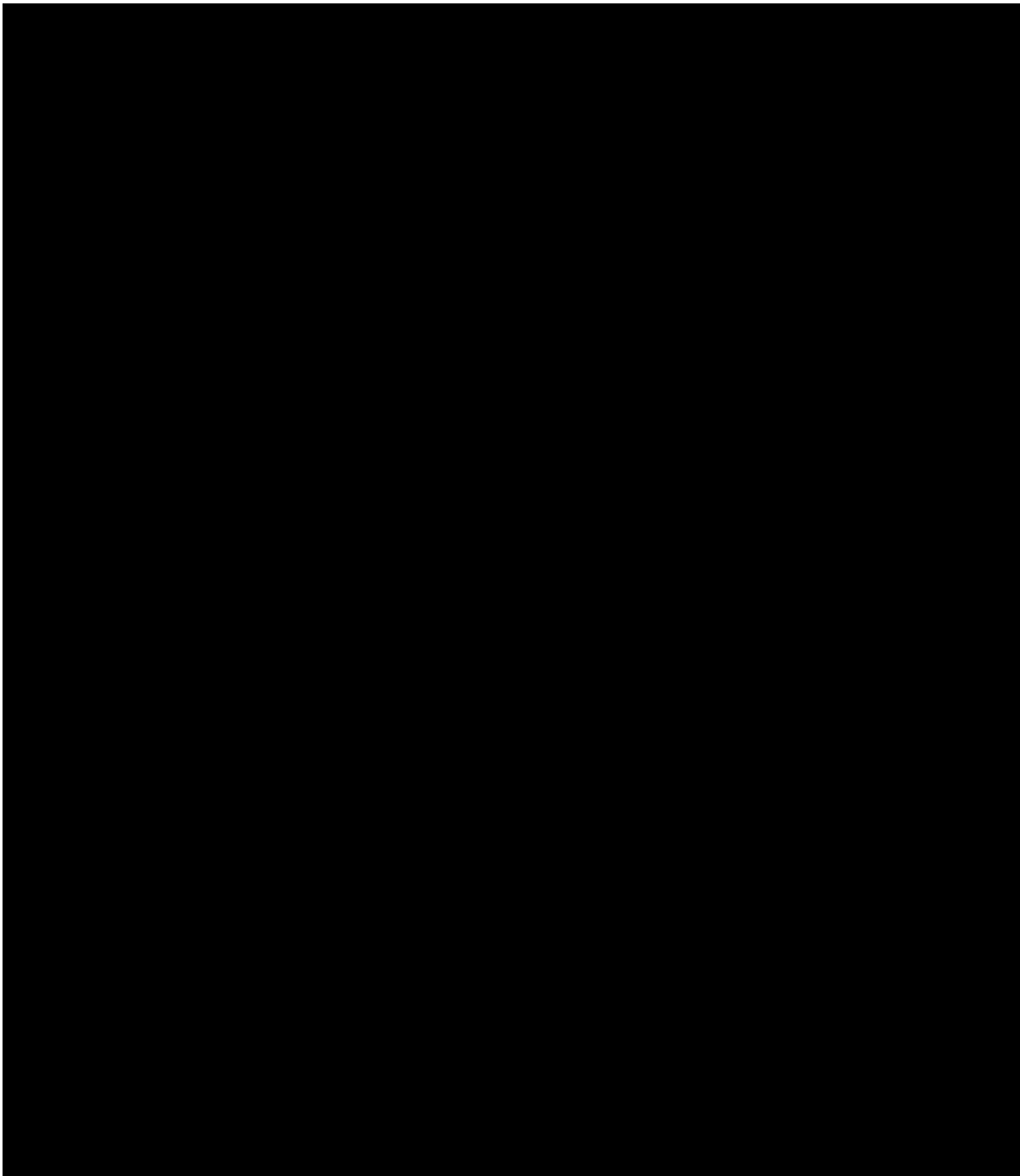
24          Q.       Are there any documents which  
25   you've ever seen which identify you as the

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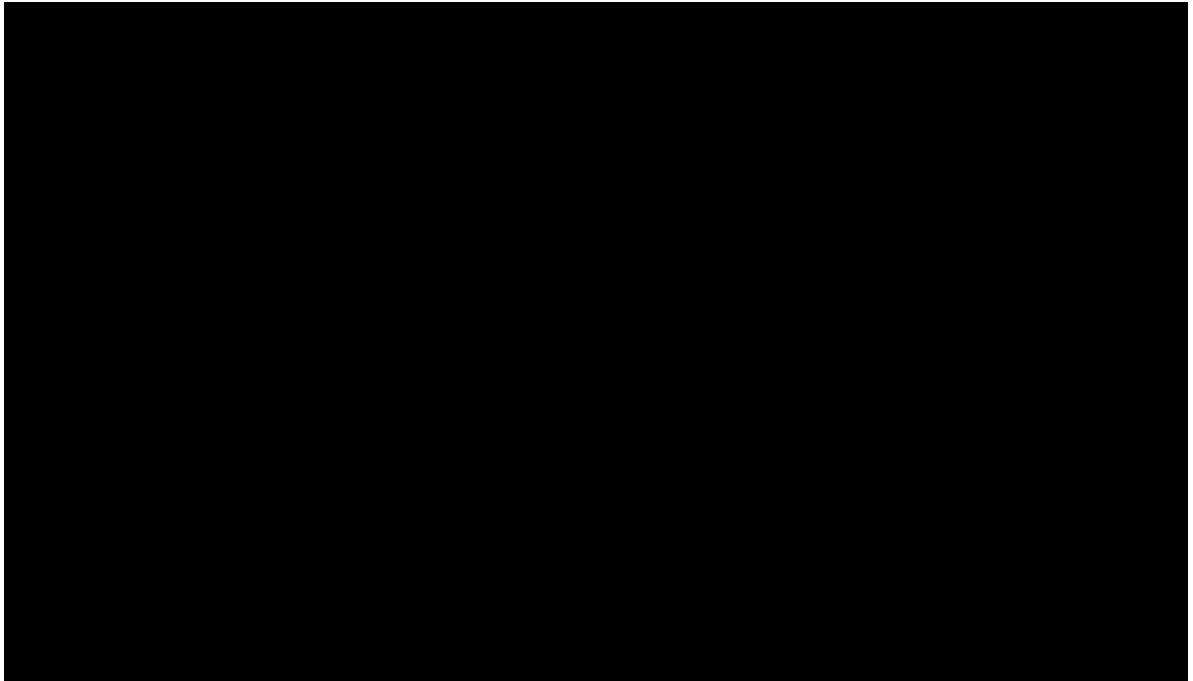
2 Q. 2011 to 2016?

3 A. I can't tell you exactly the  
4 dates but it's about five years.

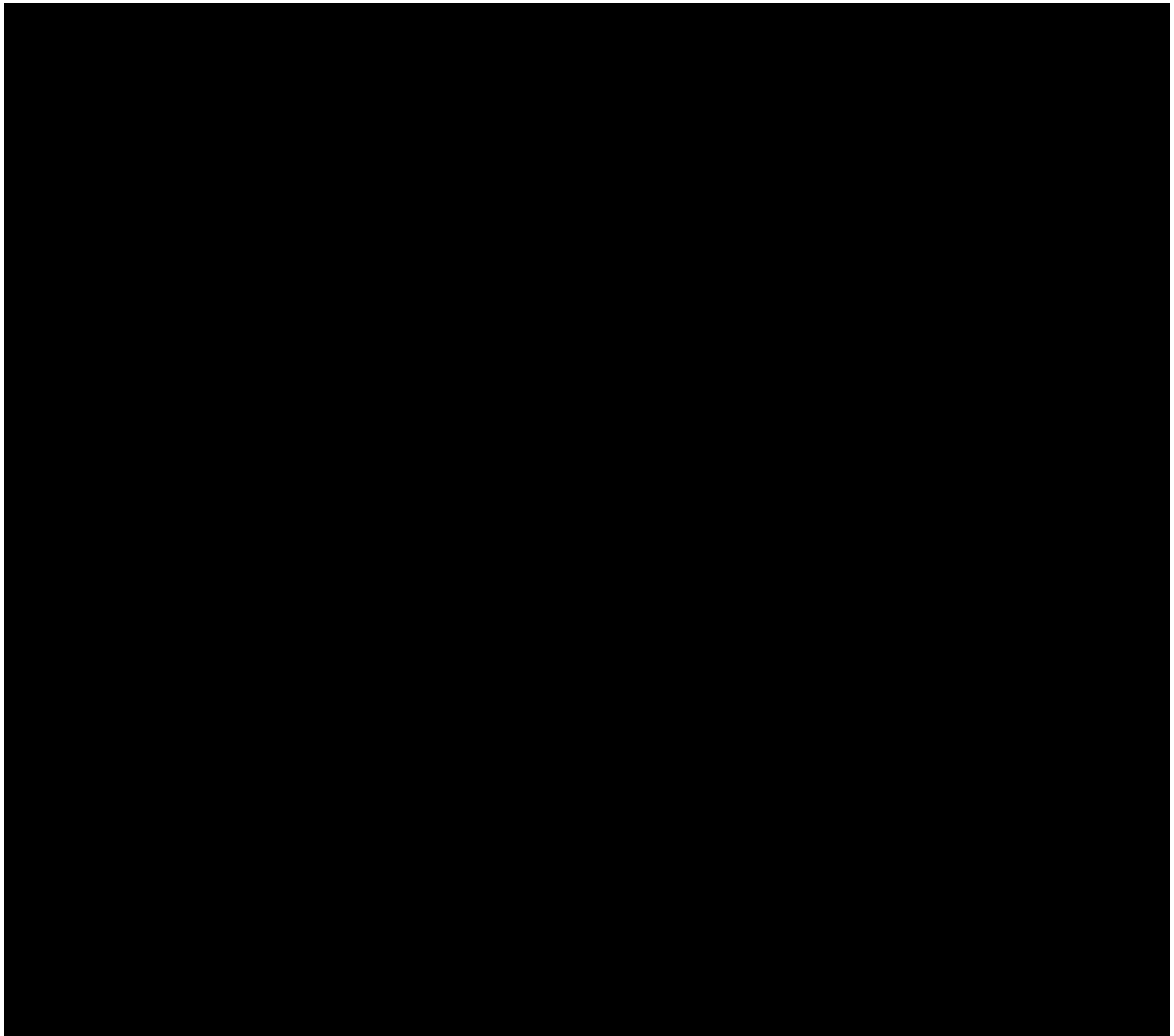
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1 S. Leontiev -- CONFIDENTIAL

2 Q. What's that one?

3 A. What's the question?

4 Q. What is Finbay?

5 A. What is Finbay? Well, I've  
6 heard from the expert reports and already  
7 being here in the U.S. that it was one of  
8 the off-balance-sheet companies of the  
9 bank.

10 Q. And when you say  
11 off-balance-sheet company, you mean a  
12 company that's not reflected in the  
13 financial statements of the bank?

14 A. Sometimes some of the  
15 off-balance-sheet companies are reflected,  
16 sometimes not. It depends on the type of  
17 product they provide to the client.

18 Q. Was Finbay reflected anywhere in  
19 the financial statements?

20 A. I don't know.

21 Q. You don't know?

22 A. I don't know.

23 Q. What about Greater Divide  
24 Limited?

25 A. I don't recall.



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2 Why don't you re-mark this, just  
3 put a defendant's Exhibit 3 stamp on  
4 this document so we're certain what  
5 we're talking about if it ever comes  
6 up again.

7 Q. Direct your attention to  
8 appendix A.

9 A. Appendix?

10 Q. Appendix A. It comes after.  
11 Do you have appendix A in front  
12 of you?

13 A. Uh-huh.

14 Q. You need to speak verbally.

15 A. Yes.

16 Q. Do you recognize this document?

17 A. I found out about this document  
18 already in the U.S.

19 Q. And you reviewed this complaint  
20 before it was filed; correct?

21 A. Yes.

22 Q. You've seen this list of  
23 promissory notes before; right?

24 A. I was reviewing. I didn't put  
25 any effort to it specifically this

1           S. Leontiev -- CONFIDENTIAL  
2       document.

3           Q.       Mr. Leontiev, am I correct that  
4       you have no basis for believing that any  
5       of the loans that are listed on this page  
6       have been repaid?

7           A.       Can you say it once again?

8                   MR. HECKER: Can you read that  
9       back.

10                   (Whereupon the requested portion  
11       was read back by the reporter)

12                   THE WITNESS: I just don't know.

13           Q.       Right.

14                   But you have no basis for  
15       believing that the loans were repaid as  
16       you sit here now?

17                   MR. WEIGEL: Asked and answered.  
18       You didn't like the answer.

19           Q.       Go ahead. You can answer.

20           A.       Can you put the question again?

21           Q.       Sure.

22                   As you sit here now, you have no  
23       basis for believing that these loans were  
24       repaid; correct?

25                   MR. WEIGEL: Asked and answered.

1                   S. Leontiev -- CONFIDENTIAL

2           Q.       You can answer.

3           A.       Correct.

4           Q.       Okay.

5                   Now turn to appendix B.

6                   This is a list of loan  
7 agreements attached to the complaint;  
8 correct?

9           A.       Uh-huh.

10          Q.       You need to speak verbally.

11          A.       Yes. Sorry.

12          Q.       And you've seen this before;  
13 correct?

14          A.       Again, the same answer. I  
15 didn't go into this.

16          Q.       You don't go into it but you saw  
17 it before the complaint was filed;  
18 correct?

19          A.       I didn't pay attention, I just  
20 read more the complaint.

21          Q.       Well, let me ask you, as you sit  
22 here now, am I also correct that you have  
23 no basis for believing that any of the  
24 loans reflected on appendix B have been  
25 repaid?

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2 Q. More than twenty years?

3 A. Ten.

4 Q. More than twenty, also?

5 A. Somewhere in the 90s we start,  
6 somewhere in the 90s. So maybe it's not  
7 exactly twenty but maybe less.

8 Q. Do you trust Mr. Zheleznyak?

9 A. Of course.

10 Q. And based on your professional  
11 and personal experience with him, he's an  
12 honest man?

13 A. Yes.

14 Q. Have you ever felt that he's  
15 been less than honest with you?

16 A. No.

17 MR. WEIGEL: I object.

18 Overbroad.

19 Q. Describe for me the partnership  
20 that you and Mr. Zheleznyak had together.

21 A. We actually -- so partnership is  
22 the wrong word. He was a shareholder, so  
23 we were both shareholders. But there was  
24 a general management concept in Group Life  
25 that was called partnership.

1 S. Leontiev -- CONFIDENTIAL

2 Q. You were both shareholders in  
3 what?

4 A. In Probusinessbank.

5 Q. You said there was a general  
6 management concept in Group Life that was  
7 called partnership?

8 A. Yes.

9 Q. Explain that to me.  
10 What was the general management  
11 concept?

12 A. What do you want to know? It's  
13 just a broad thing.

14 Q. What was the general --

15 A. Do we have enough time?

16 Q. What was the general management  
17 concept in Financial Group Life?

18 A. So the heads of business units  
19 and the heads of branches and also some  
20 loan officers, they were partners, so  
21 there were about sixteen thousand people  
22 who reported to me and among them there  
23 were maybe several thousand partners.

24 Q. You called them partners?

25 A. Not only I called them partners

1           S. Leontiev -- CONFIDENTIAL  
2       but there was a partnership concept that  
3       seems a little bit similar maybe you have  
4       in your company. But because it was a  
5       retail business, it was a different -- a  
6       little bit different structure and a  
7       little bit different rights, but that's  
8       what we called partnership.

9           Q.       These partners didn't own equity  
10       in the Probusinessbank business; did they?

11          A.       No, they didn't, but they had  
12       the share of profits.

13          Q.       So there was profit sharing as  
14       part of the business model?

15          A.       More than that but profit  
16       sharing was part of it.

17          Q.       Okay.

18                   And when you said earlier that  
19       your partnership with Mr. Zheleznyak was  
20       part of the general concept of there being  
21       a partnership at Financial Group Life,  
22       that's what you're referring to?

23                   MR. WEIGEL: I'm going to object.

24                   It misstates the record.

25                   Go ahead.

1 S. Leontiev -- CONFIDENTIAL

2 Q. You can answer.

3 MR. WEIGEL: He said partnership  
4 was the wrong word.

5 A. Yeah, I just said exactly the  
6 opposite actually from what you're saying  
7 now.

8 Q. So let me try again.

9 Mr. Zheleznyak was not your  
10 business partner?

11 A. I don't know what I understand  
12 under the word "partner."

13 As I explained to you, in our  
14 language he was a shareholder and we were  
15 both shareholders and I have about two  
16 thousand partners and he was not one of  
17 these two thousand, that's right.

18 Q. There came a time when you had a  
19 meeting in London with my client, Mr.  
20 Varshavsky; correct?

21 A. Yes.

22 Q. And Mr. Zheleznyak was there?

23 MR. WEIGEL: Sean, if you're  
24 going to go into a new topic, we've  
25 been going about an hour. Why don't

1 S. Leontiev -- CONFIDENTIAL

2 we take a break.

3 MR. HECKER: Okay. Go ahead, you  
4 take a short break.

5 THE VIDEOGRAPHER: We're going  
6 off the record at 11:03 a.m.

7 (Whereupon a break was taken)

8 THE VIDEOGRAPHER: We are back on  
9 the record 11:17 a.m.

10 Q. Before the break, I asked you a  
11 series of questions about your  
12 relationship with Mr. Zheleznyak and you  
13 took issue with my use of the term  
14 "partner" to describe your relationship.

15 Do you recall that question and  
16 answer?

17 A. I recall about the childhood.

18 Q. Well, do you recall being asked:  
19 "Mr. Zheleznyak was not your business  
20 partner.

21 Answer: "I don't know what I  
22 understand under the word 'partner.'"

23 Do you recall that testimony?

24 A. Yes.

25 Q. Now, you've previously described



1                   S. Leontiev -- CONFIDENTIAL

2           Mr. Zheleznyak as your partner; correct?

3           A.       Yeah, we used partners, friends,  
4           we used these words when we were meeting  
5           with each other.

6           Q.       You described him as your  
7           partner; correct?

8           A.       No. How to explain? I can tell  
9           you, Sean, you're my partner but  
10          officially, I tried to explain to you what  
11          it was officially, officially we were  
12          shareholders of the bank.

13          Q.       Do you recall having a meeting  
14          with Mr. Zheleznyak and Mr. Varshavsky and  
15          others in London in approximately August  
16          of 2015?

17          A.       Yes.

18          Q.       And during that meeting, didn't  
19          you repeatedly refer to Mr. Zheleznyak as  
20          your partner?

21          A.       Yes.

22          Q.       And you did that in the context  
23          of stating that you would repay the  
24          obligations that Mr. Zheleznyak undertook  
25          with respect to certain loans; isn't that

1                   S. Leontiev -- CONFIDENTIAL

2       true?

3           A.       No, that's not true statement.  
4       Actually, that meeting Alexander asked me  
5       to resolve a dispute, help him, he had an  
6       issue with these people. So that was a  
7       meeting to settle this dispute. So I  
8       brought a package to them, a proposal  
9       because he asked me to do this.

10                   So but the word "partner" was  
11       used during this meeting, you're  
12       absolutely right. I had to explain to  
13       these people the relationship and so I was  
14       saying that we are friends, actually,  
15       that's what I mean.

16           Q.       And you told Mr. Varshavsky that  
17       you recognize the obligation because Sasha  
18       and you were partners; right?

19           A.       As a part of the settlement  
20       deal, yes.

21           Q.       So you did say that?

22           A.       Yes, I proposed them a  
23       settlement. There was several points in  
24       the settlement package. That was one of  
25       them.

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2 Go on.

3 MR. HECKER: You're instructing  
4 him not to answer that question?

5 MR. WEIGEL: Yes. If you want to  
6 discuss settlement, we can go off the  
7 record.

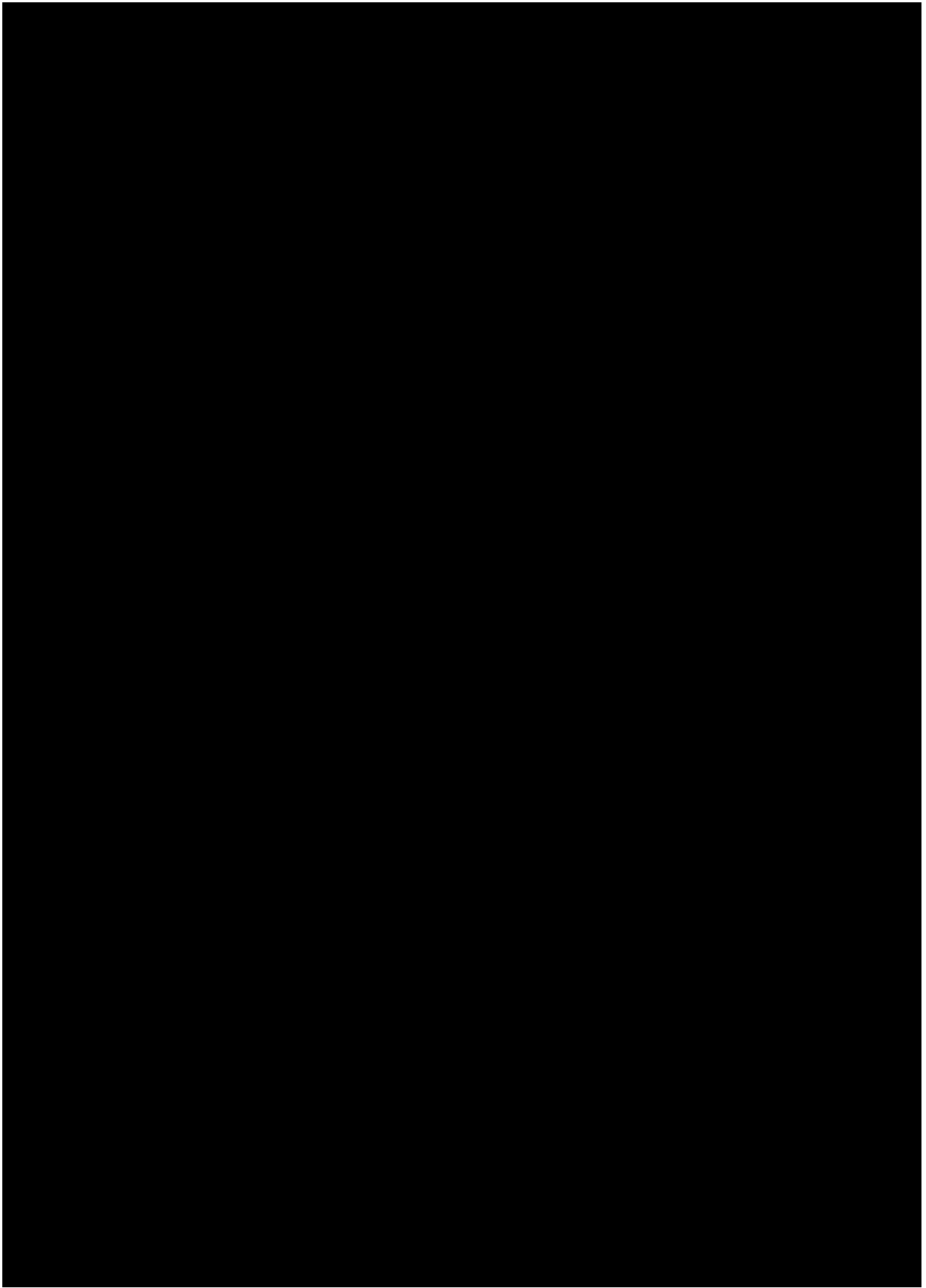
8 MR. HECKER: Mr. Weigel, you can  
9 object; you can instruct him not to  
10 answer. I don't want you testifying.

11 MR. WEIGEL: I have no intention  
12 of testifying. If you want to discuss  
13 settlement, we'll do it at another  
14 time.

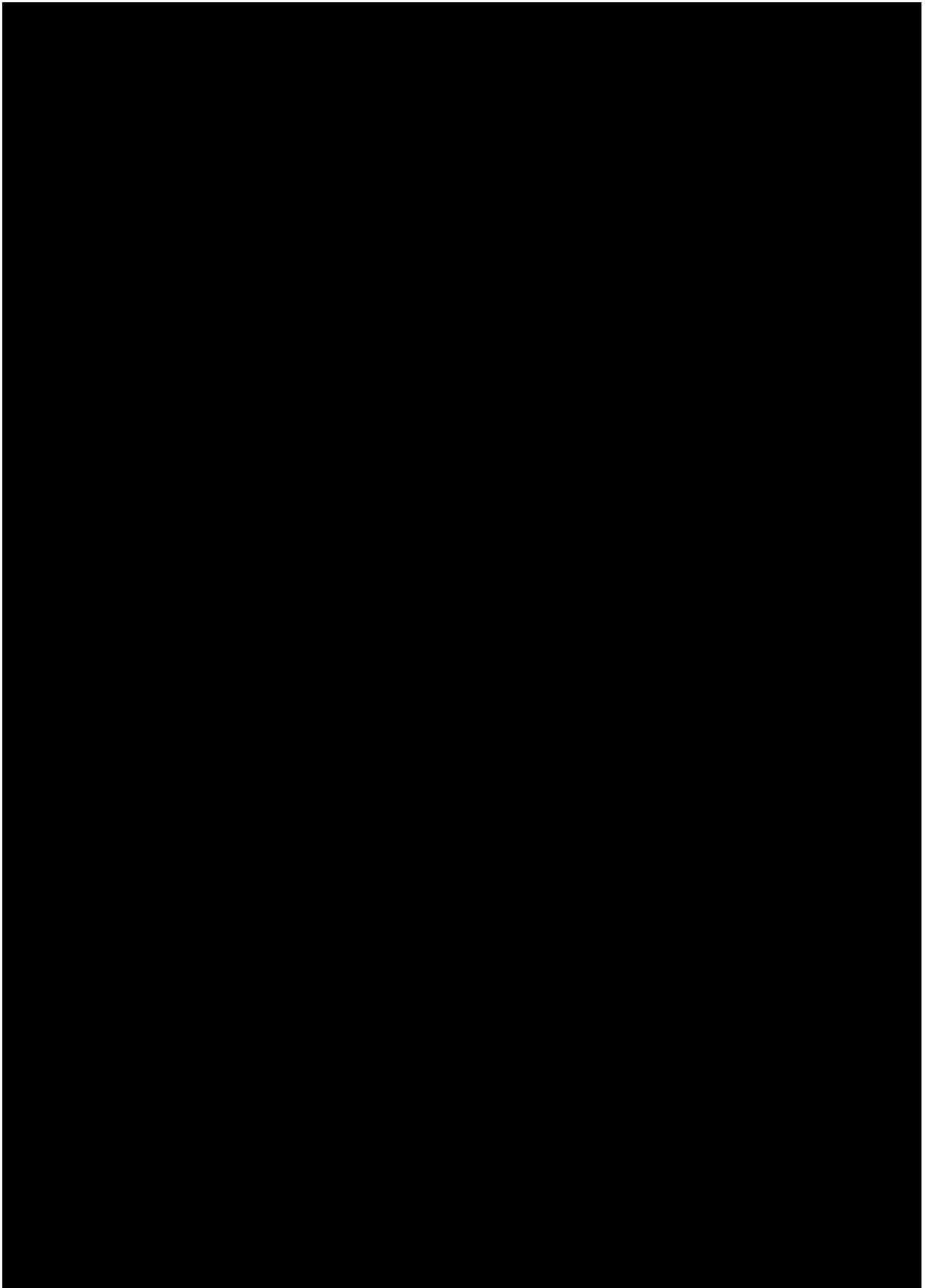
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2       that purpose.

3           Q.       Have you had partners other than  
4       Mr. Zheleznyak who owned stakes in  
5       Alivikt?

6                   MR. WEIGEL: I object to the  
7       form.

8                   THE WITNESS: Well, in different  
9       periods of time there were different  
10      -- first of all, as I explained to  
11      you, formally we were not partners, we  
12      were shareholders. You used the word  
13      "partners."

14      Q.       In my question?

15      A.       Yes.

16      Q.       Let me rephrase the question if  
17      that's causing you difficulty.

18      A.       I just want to be precise.

19      Q.       Were there others who owned  
20      shares in Alivikt other than Mr.  
21      Zheleznyak during the time that you were  
22      the majority shareholder?

23      A.       I don't remember. There were  
24      different -- there were people -- there  
25      were different other shareholders at

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2       different periods of time in Group Life,  
3       but I can tell you when the license was  
4       revoked, there were two of us.

5           Q.       You said Group Life. My  
6       questions had been about Alivikt.

7                    To you are they synonymous?

8           A.       No. We just called Group Life  
9       was a brand which we used for branding  
10       purposes.

11          Q.       Okay.

12                   And Alivikt owned a hundred  
13       percent of Group Life?

14          A.       Group Life, it's a brand, it's  
15       not an entity.

16          Q.       So when you a moment ago said  
17       that at the time of the liquidation Mr.  
18       Zheleznyak and you were the only two  
19       partners in Group Life, you meant in  
20       Alivikt; correct?

21                   MR. WEIGEL: I object to the  
22       form.

23          Q.       You can answer.

24          A.       I mean Probusinessbank.

25          Q.       Okay.

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2 Who were your other partners  
3 prior to August of 2015 in Alivikt?

4 MR. WEIGEL: Are you  
5 intentionally using the word  
6 "partners?" The witness has said he  
7 has a problem with that. You keep  
8 putting it into the question. If  
9 you're doing it by accident --

10 MR. HECKER: There's no strategy.  
11 You can object to the form of the  
12 question and I'll rephrase it.

13 MR. WEIGEL: I object to the form  
14 of the question.

15 Q. Prior to August of 2015, who  
16 were the other shareholders in Alivikt?

17 A. I can't remember but there were  
18 two more persons which were shareholders  
19 different period of time.

20 Q. You don't remember their names?

21 A. I remember their names. I don't  
22 remember exactly the times.

23 Q. I understand.

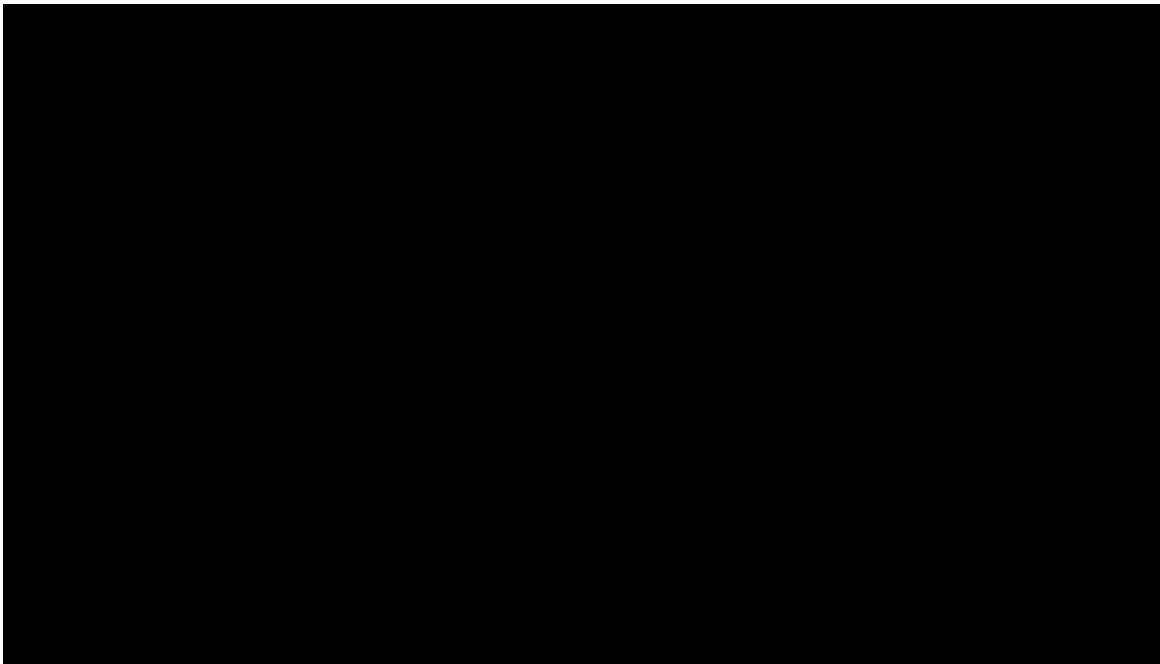
24 Who were those two?

25 A. Panteleev and Bikmaev.



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Q. And at all times were you the controlling shareholder in Probusinessbank?

A. I was majority shareholder in Probusinessbank.

Q. During the entire period of 2010 to call it 2015 when the license was revoked?

A. The bank was established '93, so I'm talking now -- I remember exactly the percentage in the last period before the license was revoked. That's what I can tell you exactly. '93 I can't tell you how the shareholding structure looked

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2 A. No. I don't understand your  
3 question.

4 Q. You said Financial Group Life  
5 served as a brand; is that correct?

6 A. Well, there was a brand. The  
7 brand was Financial Group Life, yes, so if  
8 you call at the reception tell they will  
9 tell you Financial Group Life speaking and  
10 that was about ten thousand people in the  
11 call center saying this, that was the  
12 brand Financial Group Life. That's what I  
13 was saying.

14 Q. Were they actually employees of  
15 Probusinessbank?

16 A. Every employee of each bank, any  
17 bank they will say Financial Group Life.

18 Q. I understand.

19 Was Group Life the brand that  
20 was used to describe all of the holdings  
21 of all of these different banks?

22 A. Yes. It was the umbrella brand.

23 Q. In 2014 is it correct that  
24 Alivikt Holdings Limited owned over fifty  
25 percent of Probusinessbank?

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2 Q. Have you seen this document  
3 before?

4 A. I don't remember.

5 Q. You don't know whether you've  
6 reviewed the financial statements for  
7 Probusinessbank for 2014?

8 A. I just don't remember.

9 Q. You were the president of  
10 Probusinessbank going back to 1996; is  
11 that correct?

12 A. I don't remember exact year.

13 Q. In the 1990s, did you become  
14 president of Probusinessbank?

15 A. I don't remember when I become  
16 the president. But at the moment when the  
17 license was revoked, I was the president.

18 Q. And you've been the president  
19 for many years; correct?

20 A. Yes.

21 Q. And as president, did you make  
22 it a practice to review the financial  
23 statements for the bank?

24 A. It was the function of the  
25 board.

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2 Q. You were on the board; correct?

3 A. I was on the board, yes.

4 Q. So did you review the financial  
5 statements?

6 A. What do you mean review?

7 Q. Did you look at them before they  
8 were issued?

9 A. Of course.

10 Q. And you've therefore seen this  
11 document before; correct?

12 A. Yes, but I just don't remember  
13 exactly now.

14 Q. That's fine.

15 So you don't remember when you  
16 saw it but you know you must have seen it  
17 previously?

18 A. I must have seen it, if it's the  
19 right one.

20 Q. Well, I'll represent that your  
21 counsel produced this in the litigation.

22 A. Okay.

23 Q. If you look at page sixteen, do  
24 you see with me in the middle of the page  
25 it says, "shareholders" in bold and then

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2 Q. Yes?

3 A. Yes.

4 Q. So during the periods 2013 and  
5 2014, is it fair to say Alivikt held a  
6 majority of the shares of Probusinessbank?

7 A. Yes.

8

9

10

11

12

13 Q. And are you aware of any period  
14 during the time that you were president of  
15 Probusinessbank that Alivikt Holdings  
16 Limited's ownership stake fell below fifty  
17 percent?

18 A. Can say it once again?

19 Q. To your knowledge, did Alivikt's  
20 ownership stake in Probusinessbank ever go  
21 below fifty percent?

22 A. It could be.

23 Q. Could be?

24 Do you recall a time when it was  
25 less than fifty percent?

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2 Q. Do you have an estimate of how  
3 long you were chairman of the board of  
4 Probusinessbank?

5 A. Several years.

6 Q. And you were president of the  
7 Probusiness during that period? I think  
8 we covered that.

9 A. Yes.

10 Q. In fact, you were president of  
11 the bank going back to 1996; right?

12 A. I don't remember exactly when.

13 Q. Approximately that time period?

14 A. I don't remember but many years.

15 Q. And you were on the management  
16 board going back to 1993; right?

17 A. I think so.

18 Q. At Probusinessbank am I correct  
19 that day-to-day management was carried out  
20 by the management board and the chairman  
21 of the management board?

22 A. Yes.

23 Q. And the management board was  
24 supervised by the board of directors and  
25 the general shareholders' meetings; is

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2           that right?

3           A.       Yes.

4           Q.       And the management board  
5           received monthly reports on the group's  
6           financial position and its business  
7           performance?

8           A.       Do I need to read something?

9           Q.       No.

10                   I'm just asking you, the  
11           management board received monthly reports  
12           on the group's financial position and its  
13           performance; is that right?

14           A.       Can you say it once again?

15           Q.       The management board received  
16           monthly reports on the financial business  
17           -- financial position and business  
18           performance?

19           A.       Regularly.

20           Q.       Okay.

21           A.       I wouldn't say months but  
22           regularly.

23           Q.       And there were three people on  
24           the management board in the period 2010 to  
25           2015; right?

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2 A. I don't remember how many.

3 Q. Well, you were on the management  
4 board; right?

5 A. Yes.

6 Q. Alexander Zheleznyak was on the  
7 management board; correct?

8 A. Yes.

9 Q. And Alexander Lomov, was he also  
10 on the management board?

11 A. Of course.

12 Q. And what was his position?

13 A. Member of the board, chairman of  
14 the board for a period of time, head of  
15 accounting.

16 Q. Any other members of the  
17 management board over the last five-year  
18 period of Probusinessbank?

19 A. Dylnov.

20 Q. We're on the management board?

21 A. Yes. He was the chairman,  
22 actually. Dmitry Dylnov.

23 Q. Not Lomov, sorry.

24 Were there any other people --

25 A. No, Dylnov, that's not Lomov.



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2 group that did not come to you for  
3 approval?

4 A. A lot.

5 Q. There were a lot of significant  
6 decisions that were taken at  
7 Probusinessbank that you didn't approve?

8 A. Sure.

9 Q. Give me an example of one.

10 A. It's easy that I explain to you  
11 what I was doing.

12 Q. Can you answer my question?

13 A. I can try.

14 The bank as a business consisted  
15 of business units, infrastructure, and  
16 systems. So all the decisions in terms of  
17 infrastructure were taken without my  
18 participation. All the decisions in terms  
19 of systems were taken without my  
20 participation. I have never visited  
21 Central Bank because the chairman of the  
22 management board was doing that. I've  
23 never signed any accounting documents for  
24 Central Bank.

25 There is a lot I can tell you

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2       I've never done.

3           Q.       You sat on the strategic  
4       committee of Probusinessbank; correct?

5           A.       Yes.

6           Q.       And the strategic committee was  
7       the key operating body of the group; is  
8       that true?

9           A.       I was -- I suggested that I  
10      explain what I was doing.

11          Q.       Try and answer my questions if  
12      you can and then you can have a chance to  
13      explain.

14          A.       What's the question?

15          Q.       Was the strategic committee the  
16      key operating body of the group?

17          A.       One of the operating bodies of  
18      the group.

19          Q.       Wasn't it the key operating body  
20      of the group?

21          A.       One of the committees of the  
22      group.

23          Q.       And the strategic committee  
24      established the group's policies, rules,  
25      and procedures in relation to key business

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2       practices; right?

3           A.       That's right.

4           Q.       And in addition to you as  
5       president of the Probusinessbank, other  
6       members of that committee included the  
7       heads of various divisions within the  
8       group; is that true?

9           A.       Yes.

10          Q.       Now, in terms of Mr.  
11       Zheleznyak's role, is it fair to say that  
12       he was involved in efforts to raise funds  
13       to support the operation of the  
14       businesses?

15          A.       That was -- his main  
16       responsibility was not raising funds. He  
17       was the head of corporate business.

18          Q.       Was Mr. Zheleznyak's role to  
19       help raise funds to help support the  
20       operation of the business?

21          A.       He was doing that as well as  
22       maybe number one hundred priority.

23          Q.       He had other priorities --

24          A.       (Through interpreter) That was  
25       his priority number one hundred.

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2 Q. So he had other priorities that  
3 were higher on the list?

4 A. Yes.

5 Q. But one of the things that he  
6 did was raise money to support the  
7 operations of the group; correct?

8 A. I wouldn't say actually that.  
9 He was head of business unit. Every head  
10 of business unit was selling products of  
11 the bank. So we don't have the term that  
12 we used raised funds. He was selling  
13 products.

14 Q. And as part of selling products,  
15 he helped raised funds from investors that  
16 were put to use by affiliates of  
17 Probusinessbank; correct?

18 A. We called them wealth management  
19 products so he was selling to his clients  
20 wealth management products.

21 Q. And he thereby raised funds from  
22 investors?

23 MR. WEIGEL: Asked and answered.

24 Q. You can answer.

25 A. Wealth management product means

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2 that a client who buys it invests in the  
3 bank.

4 Q. You didn't personally  
5 participate in the efforts to sell wealth  
6 management products?

7 A. I didn't participate, of course.

8 Q. You did not?

9 A. I did not.

10 Q. But you were involved in  
11 decisions about products that the bank  
12 would sell; correct?

13 A. I would -- actually, we had more  
14 than a hundred business units, so each  
15 business unit will -- they had a strategy.  
16 So you imagine one hundred strategies,  
17 something like that. They will get to the  
18 treasury departments. Treasury will use a  
19 dynamic modeling to select the best of  
20 them and I was involved in establishing  
21 the rules, the principles how this  
22 modeling was working. So I will develop  
23 with the treasury the rules.

24 Then they will select the best  
25 of the proposals. Then they will go to

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2     financial department. After that they  
3     will go to strategy department. And then  
4     it will come to me back and I will  
5     introduce the strategy to the board and  
6     then usually board will accept what was  
7     prepared that way.

8           Q.     And you signed off on it before  
9     the board did; correct?

10          A.     Well, the board could take a  
11     decision that they don't like a specific  
12     product or a specific business unit, but I  
13     will introduce it as a suggestion.

14          Q.     Right.

15                 And if you didn't approve it, it  
16     wouldn't be presented to the board;  
17     correct?

18          A.     Correct, but I never did this.  
19     Actually, it was all done while in the  
20     treasury. So what my role was mostly  
21     develop the rules, how the treasury makes  
22     decisions but not taking any specific  
23     decisions and saying to people in treasury  
24     you do this, you do that, because then I  
25     will violate my own principles which I

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2       discuss with them.

3           So my role was that if we decide  
4       this year the return on equity should be  
5       fifteen percent then you don't really take  
6       businesses which have thirteen percent and  
7       they will put a lot of different ratios  
8       like that so that model, which they will  
9       prepare and they will bring to the board,  
10      will have this specific ratios. So I was  
11      responsible for those ratios. Deciding  
12      that it's fifteen percent and not thirteen  
13      percent, that was my prime influence.

14       Q.      You set the business financial  
15      targets?

16       A.      Yes.

17       Q.      And you knew, did you not, that  
18      Mr. Zheleznyak was involved in obtaining  
19      loans from Avilon?

20       A.      Well, I knew that there was such  
21      client Avilon.

22       Q.      And you knew that Mr. Zheleznyak  
23      was involved in obtaining loans from the  
24      Avagumyan family; correct?

25       A.      I didn't know anything about.

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2 Q. You knew that the product that  
3 was being sold by Mr. Zheleznyak to Avilon  
4 was loans; correct?

5 A. No, no, it was not loans, it was  
6 wealth management product.

7 Q. What was the wealth management  
8 product?

9 A. As I said, wealth management  
10 product we start using from 2008  
11 approximately when we need the capital, so  
12 some of the clients would like to have  
13 high interest rate and they could have on  
14 deposit, so they would buy the wealth  
15 management product which is an investment  
16 in the capital of the bank so we will have  
17 higher leverage and more and have the  
18 opportunity to give them also bigger  
19 interest because of that.

20 Q. So the wealth management product  
21 that you're describing is a high interest  
22 loan provided by the investor to an  
23 offshore entity created by someone at the  
24 bank; is that right?

25 A. It's wrong statement because



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2       loan itself is just a part of the  
3       structure, part of the infrastructure.  
4       The idea and assets of the product is an  
5       investment which the client does in the  
6       capital of the bank to earn higher  
7       interest than in a regular deposit.

8           Q.       In 2008, is it correct that  
9       Probusinessbank was undercapitalized as a  
10      result of the financial crisis?

11          A.       Not specifically  
12      undercapitalized but we were interested in  
13      growing capital because of the situation  
14      of the markets.

15          Q.       And one of the ways you grew  
16      capital was by offering high interest rate  
17      investment opportunities to investors;  
18      correct?

19          A.       You use now your own term. We  
20      call it wealth management products.

21                    I don't understand what you  
22      mean.

23          Q.       You don't understand what I mean  
24      by high interest rate loan?

25          A.       No, this is wrong statement. It

1           S. Leontiev -- CONFIDENTIAL  
2       was not a high interest rate loan at all.  
3       That's what I'm explained five minutes  
4       ago. It was a wealth management product  
5       and we started to use it, yes, that period  
6       of time.

7           Q.       And you understood that Mr.  
8       Zheleznyak was selling that product  
9       including to Avilon?

10          A.       Mr. Zheleznyak was not selling  
11       anything. He was -- just imagine, he was  
12       the head of the corporate division which  
13       had something like five, six hundred  
14       people. These people were selling and  
15       these people were managers who had  
16       hundreds of clients related to them. So  
17       we had the structure in the group that  
18       each manager and he had about six hundred  
19       of them in his department. Each manager  
20       was responsible for from twenty to a  
21       hundred clients. And the manager would  
22       select the products for his client  
23       according to the demands of the client,  
24       and Zheleznyak was the head of all that.  
25       So I wouldn't imagine that he himself

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2 would do any views. It was impossible.

3 Q. You didn't know he was speaking  
4 to investors about these wealth management  
5 products?

6 A. Yeah, he -- the way it worked  
7 that the manager of the -- so each client  
8 has a manager, first of all, it could be  
9 that in Probusinessbank even a retail  
10 client wouldn't have a manager, it was not  
11 possible. So manager is the window for  
12 the client in the bank. So it could  
13 happen that the manager will bring his  
14 client to from Zheleznyak.

15 It didn't happen that I met some  
16 clients that way but it will be the  
17 manager who's responsible for selling the  
18 product, for the negotiation, for the P&L  
19 of the client. And actually, the manager  
20 will have -- you remember we discussed the  
21 word "partnership." That's exactly this  
22 manager who would be the partner because  
23 he will have the share of the profits from  
24 that client. So not Mr. Zheleznyak but  
25 the specific manager who's responsible for

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2       this client will get the share of the  
3       profits from this client. That was how it  
4       was structured.

5           Q.       Can you pull back up Defendant's  
6       Exhibit 3 which is the complaint and I  
7       want to direct your attention to appendix  
8       A of that document.

9                    You recall we reviewed this  
10       earlier?

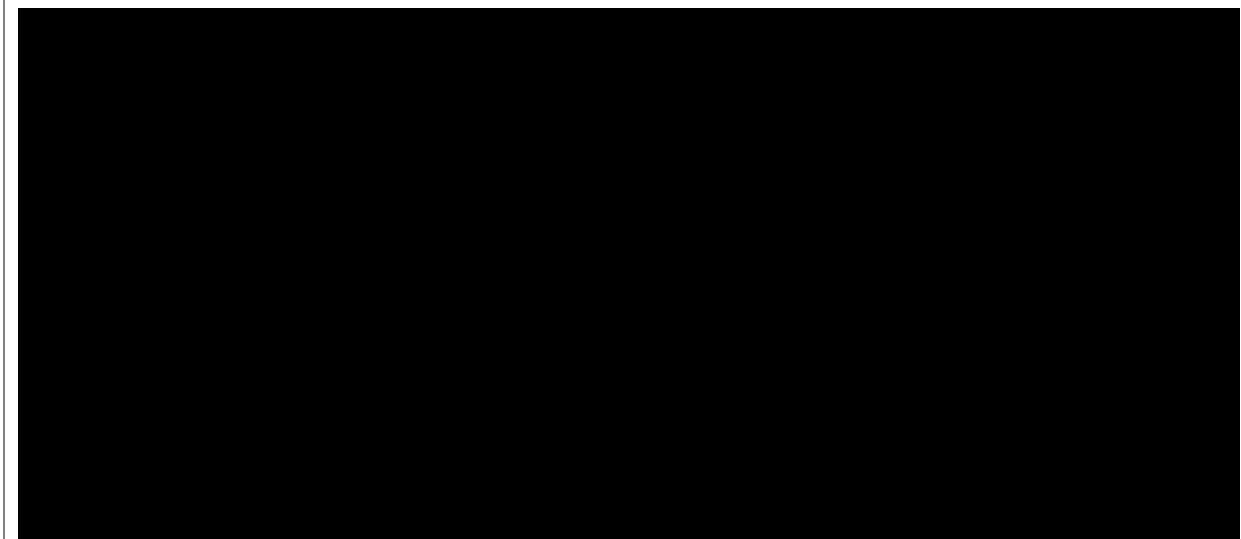
11           A.       Yes.

12           Q.       And you see here that what is  
13       identified are certain promissory notes  
14       where the borrower was either ZAO  
15       Financial Group Life or Vennop Trading.

16                    Do you see that?

17           A.       Yes.

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23           Q.       Were you aware of these loans  
24       when they were entered into?

25           A.       No.

1 S. Leontiev -- CONFIDENTIAL

2 Q. And do you know where the funds  
3 that were -- that are reflected here went  
4 after the loans were provided to Financial  
5 Group Life?

6 A. Well, I don't remember  
7 specifically about these loans but  
8 usually, as I explained to you, the wealth  
9 management product worked that way, the  
10 money went to the treasury of the bank.

11 Q. So to the extent the moneys were  
12 borrowed by Financial Group Life,  
13 Financial Group Life transferred them to  
14 the treasury of Probusinessbank; is that  
15 your testimony?

16 A. Somehow it went to treasury.

17 Q. You don't know now?

18 A. No. I was not responsible for  
19 the structure. Each deal was structured  
20 differently.

21 Q. What about Vennop Trading? Is  
22 that an entity you're familiar with?

23 A. No.

24 Q. Do you know who set it up?

25 A. No.

1 S. Leontiev -- CONFIDENTIAL

2 Q. And am I correct that Financial  
3 Group Life voluntarily applied for  
4 liquidation in the beginning of 2015?

5 A. Yeah, I found out here.

6 Q. You weren't aware of that  
7 decision?

8 A. No, I don't remember -- I don't  
9 remember when I found out about that.

10 Q. At the time of the litigation  
11 you were the majority shareholder of  
12 Financial Group Life; correct?

13 MR. HECKER: Sorry. Let me  
14 rephrase the question. I misspoke.

15 Q. At the time of the liquidation,  
16 were you the majority shareholder of  
17 Financial Group Life?

18 A. I think so, yes, the main  
19 shareholder.

20 Q. So were you involved in the  
21 decision to liquidate Financial Group  
22 Life?

23 A. I just don't remember how it was  
24 taken.

25 Q. Is it a reasonable assumption

1 S. Leontiev -- CONFIDENTIAL

2 that, as the majority shareholder, that  
3 somebody would have checked with you prior  
4 to liquidation?

5 A. As I mentioned to you, this was  
6 the company that was created for the  
7 specific purpose. That's why I never  
8 really wasn't so much interested.

9 Q. And the purpose was to serve as  
10 a brand?

11 A. Yes.

12 Q. And also to borrow funds; right?

13 A. It was part of the structure  
14 which we used to sell wealth management  
15 products.

16 Q. Why not sell them directly from  
17 Probusinessbank?

18 A. I can't tell you exactly about  
19 this case but in general there were  
20 clients that wouldn't like that and that's  
21 what specifically the client will say -- I  
22 mean, if you mean -- what it mean exactly  
23 through Probusinessbank?

24 Q. Well, the loans that are  
25 reflected in appendix A, you said you



1           S. Leontiev -- CONFIDENTIAL  
2       don't know about these specifically but  
3       your understanding is the loan moneys, if  
4       they went to Financial Group Life, they  
5       made their way to the treasury of  
6       Probusinessbank; correct?

7           A.       Yes.

8           Q.       My question is why didn't  
9       Probusinessbank directly seek to acquire  
10      the funds from investors?

11          A.       Oh, that's very easy.

12                   Then the client will get two  
13      percent instead of twelve percent if it  
14      went directly because then it will be a  
15      deposit on the Probusinessbank. And  
16      specifically these clients you're talking  
17      about, they had a lot of deposits directly  
18      on the balance sheet of Probusinessbank  
19      but they wanted larger interest. That's  
20      why they asked their managers to sell them  
21      wealth management products.

22          Q.       So they weren't prepared to make  
23      the investments for two percent interest  
24      directly to the bank?

25          A.       No, that's not true statement.

1                   S. Leontiev -- CONFIDENTIAL

2           Q.       Not true?

3           A.       Not true.

4           Q.       So --

5           A.       You're mixing now deposit and  
6 investment.

7           Q.       In order to obtain the moneys  
8 for the treasury of Probusinessbank, the  
9 bank, through these offshore vehicles,  
10 offered higher interest rate products;  
11 correct?

12          A.       Can you say it once again?

13                   MR. HECKER: Can you read that  
14 back? And then we'll take a break  
15 after your answer.

16                   (Whereupon the requested portion  
17 was read back by the reporter)

18                   THE WITNESS: No. In order to  
19 -- there were deposits and there were  
20 wealth management products. These are  
21 two different products completely. I  
22 don't want you to mix it up.

23                   Wealth management products were  
24 sold for different interest rate,  
25 that's right, because the nature of

1 S. Leontiev -- CONFIDENTIAL

2 this product completely different.

3 It's the capital of the bank and the  
4 deposit will go on the account and  
5 that's the difference.

6 MR. HECKER: Why don't we take a  
7 break to change the tape.

8 THE VIDEOGRAPHER: We're going  
9 off the record at 12:05 p.m.

10 This marks the end of media one.

11 (Whereupon a break was taken)

12 THE VIDEOGRAPHER: We're back on  
13 the record at 12:16 p.m.

14 This marks the beginning of  
15 media two.

16 Q. Before the break, we discussed  
17 the decision to liquidate FG Life and I  
18 believe you testified you didn't recall  
19 how that decision was taken; is that  
20 right?

21 A. Yes.

22 Q. Do you know who was involved in  
23 the decision to liquidate FG Life?

24 A. No.

25 Q. No?

1 S. Leontiev -- CONFIDENTIAL

2 A. No.

3 Q. Did you ever ask that question  
4 of anyone who was involved in the  
5 operation of FG Life?

6 A. I mean now here in New York we  
7 talked about that with Alexander but not  
8 at that time.

9 Q. So what did you learn about how  
10 the decision to liquidate FG Life was  
11 taken?

12 A. Just Alexander told me that he  
13 was involved in that.

14 Q. He didn't check with you as the  
15 controlling shareholder of FG Life?

16 A. I don't remember. Maybe he did  
17 but I just don't remember.

18 Q. So it's possible that he checked  
19 with you before the decision to --

20 A. I don't remember.

21 Q. What assets did FG Life have at  
22 the time that it was liquidated?

23 A. I don't know.

24 Q. Do you know what was done with  
25 any assets that FG Life had at the time of

1 S. Leontiev -- CONFIDENTIAL

2 the liquidation?

3 A. No.

4 Q. Did you receive any distribution  
5 of assets?

6 A. No.

7 Q. Were any assets used to pay FG  
8 Life's liabilities at the time of the  
9 liquidation?

10 A. I don't know.

11 Q. Do you know whether FG Life had  
12 sufficient assets to pay its creditors at  
13 the time the voluntary liquidation was  
14 initiated?

15 A. I don't know. But it was part  
16 of the wealth management product so, as I  
17 understand, it was a product of the bank.

18 Why are you talking separately  
19 about this company?

20 Q. Earlier we looked at Defendant's  
21 Exhibit 10.

22 Do you have that in front of  
23 you? It's the financial statements and  
24 independent auditor's report. That one.

25 Is there any mention of the FG

1 S. Leontiev -- CONFIDENTIAL

2 Life wealth management product you were  
3 describing in the financial statement or  
4 the balance sheet of the company?

5 MR. WEIGEL: There's three  
6 hundred thirty-three pages.

7 Are you asking the witness to go  
8 through this entire document to find  
9 out if there's a mention?

10 MR. HECKER: I'm asking him if he  
11 knows whether it's mentioned in the  
12 financial statements of the company.

13 THE WITNESS: I don't know.

14 Q. Do you know if --

15 MR. HECKER: Strike that.

16 Q. These wealth management  
17 products, am I correct, were sold through  
18 offshore vehicles that were set up by a  
19 structuring division within  
20 Probusinessbank; is that correct?

21 A. Yes.

22 Q. And those structures which were  
23 set up were controlled by bank employees;  
24 correct?

25 A. By the bank.

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2 Q. Of which you were the majority  
3 shareholder; right?

4 A. Yes. Main shareholder.

5 Q. So it's by Probusinessbank  
6 employees that these entities were  
7 operated; right?

8 A. Yes.

9 Q. And do you know whether the  
10 financial statements that were reviewed by  
11 auditors reflected the control by  
12 Probusinessbank of these offshore  
13 entities?

14 A. I don't know how it was done.

15 Q. Well, I believe you testified as  
16 the president and the member of the board  
17 you reviewed the financial statements  
18 during your time as president of the bank;  
19 right?

20 A. Financial statements of what  
21 company?

22 Q. Of Probusinessbank.

23 A. Yes, we reviews viewed this.

24 Q. Did you ever see any mention of  
25 the offshore vehicles which were

1 S. Leontiev -- CONFIDENTIAL

2 controlled by Probusinessbank employees  
3 reflected in the financial statements or  
4 the balance sheet of the bank?

5 A. As I said already several hours  
6 ago, sometimes some companies -- you must  
7 understand we have more than a hundred  
8 companies like that.

9 Q. And when you say companies like  
10 that, you're referring to --

11 A. Off-balance-sheet companies.  
12 Because different products like  
13 securitization products, they will require  
14 off-balance-sheet entity. That's why  
15 sometimes they were consolidated,  
16 sometimes not. I just never get into  
17 details why.

18 Q. But you understood that these  
19 off-balance-sheet entities were controlled  
20 at all times by Probusinessbank employees;  
21 correct?

22 A. By Probusinessbank.

23 Q. And by employees of  
24 Probusinessbank; right?

25 A. I'll stay with Probusinessbank.



1 S. Leontiev -- CONFIDENTIAL

2 Because if you say employee, I don't  
3 understand it.

4 Q. You don't know what an employee  
5 of Probusinessbank means?

6 A. Look, an employee can have his  
7 own interest. In that sense it was part  
8 of the product of Probusinessbank. That's  
9 why I'm saying Probusinessbank.

10 Q. So as president of  
11 Probusinessbank, it was the bank that  
12 controlled the offshore vehicles --

13 A. Yes.

14 Q. -- that made these products  
15 available to investors; right?

16 A. Yes. Now you're right.

17 Q. And it was through employees who  
18 worked for you as president that these  
19 offshore entities were operated on a  
20 regular basis; right?

21 A. Yes.

22 Q. With respect to Financial Group  
23 Life, were you regularly receiving  
24 documents reflecting the finance of that  
25 entity?

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2 It's vague as to what you mean by the  
3 lenders.

4 Q. You can answer the question.

5 A. Specify who I'm talking about.

6 Q. Well, you know that Aviron is a  
7 creditor; right?

8 A. I know that there was a client  
9 with that name.

10 Q. Aviron.

11 A. Aviron, yes.

12 Q. And they lent money to Ambika;  
13 right?

14 A. As we discussed --

15 Q. Yes or no, are you aware that  
16 Aviron lent money to Ambika?

17 A. As part of the wealth management  
18 product.

19 Q. Yes.

20 So you'll forgive me, I'm going  
21 to refer to those as loans.

22 A. No, you're just trying to put  
23 the part of the deal as a separate deal.  
24 That's why I'm opposing it. That's my  
25 position. I can put my position here, as

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2 I understand.

3 Q. You understand that in August,  
4 2015 Avilon had not been repaid in  
5 connection with certain loans that it had  
6 made to Ambika?

7 MR. WEIGEL: Asked and answered.

8 THE WITNESS: What I'm saying is  
9 that the license was revoked. Of  
10 course there were clients that were  
11 not repaid, clients of the bank, and  
12 Ambika was one of them.

13 Q. And the Avagumyans were also  
14 investors who had not been repaid?

15 A. It is found out here. I didn't  
16 know about that.

17 Q. And you met with Mr. Varshavsky  
18 in Moscow along with Alex Zheleznyak to  
19 discuss your potential repayment of the  
20 moneys that had not been repaid; right?

21 A. No. The purpose you formulate  
22 of that meeting is not right.

23 Alexander asked me -- he was  
24 asking me for four hours literally to go  
25 to that meeting to help him to resolve the

1           S. Leontiev -- CONFIDENTIAL

2       dispute. It was to propose any kind of  
3       settlement to Varshavsky.

4           Q.       When you met with Mr. Varshavsky  
5       in Moscow with Mr. Zheleznyak, is it your  
6       testimony that you did not discuss  
7       potentially repaying the moneys that were  
8       then outstanding to Avilon?

9           A.       We did discuss this part as a  
10      part of the settlement again.

11          Q.       So that was part of the  
12      discussion?

13          A.       Yes.

14          Q.       And then when you later met in  
15      London in August, that was again part of  
16      the discussion; correct?

17          A.       Yes.

18          Q.       And when you met in London, you  
19      taped the conversation that you had with  
20      Mr. Varshavsky and others; correct?

21          A.       Yes.

22          Q.       You didn't tell them you were  
23      taping that conversation; right?

24          A.       I didn't tell Varshavsky.

25          Q.       You told Zheleznyak; right?

1 S. Leontiev -- CONFIDENTIAL

2 A. Are you reading something?

3 Q. I'm not reading anything.

4 A. Sorry, because I think you're  
5 looking at text.

6 Q. I'm looking at my notes.

7 A. Okay.

8 You have to tell me because I  
9 have to change spectacles.

10 Q. I understand. I've got the same  
11 problem. I just take them off.

12 After August, '15, you discussed  
13 a proposal, actually a couple of different  
14 proposals to repay a total of a hundred  
15 million dollars, eighty-three million plus  
16 moneys from Valkera, to lenders  
17 represented by Mr. Varshavsky; correct?

18 MR. WEIGEL: I object. Form.  
19 Foundation.

20 THE WITNESS: Several things  
21 which I don't agree. First of all, I  
22 was talking specifically about  
23 Varshavsky. I don't understand what  
24 you mean several lenders. So I was  
25 told at least that this is money from

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2 the analogy.

3 So you didn't understand that  
4 Mr. Varshavsky was a president and owner  
5 of Avilon?

6 A. Yes, I know that, just was his  
7 pocket company.

8 Q. What do you mean when you say  
9 pocket company?

10 A. His own company. He used it for  
11 his own purposes.

12 Q. Like Financial Group Life was  
13 your company?

14 A. You mean this branding?

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24 Q. And through it you owned a  
25 majority in Probusinessbank?

1           S. Leontiev -- CONFIDENTIAL  
2       and he bought wealth management product of  
3       the bank. When his money stuck at the  
4       bank, he tried to impose the obligation on  
5       my friend and my friend asked me to come  
6       and to try to settle this issue. So  
7       that's what I did.

8           Q.       So you understood that Mr.  
9       Varshavsky owned Avilon, that Avilon had  
10      invested moneys that had not been repaid,  
11      and you were asked to try to make good on  
12      the obligation to repay it; is that fair?

13      A.       Yes.

14      Q.       And over time, in the period  
15      after August, 2015, you made proposals  
16      about how to repay a hundred million  
17      dollars pursuant to that obligation,  
18      right, as part of a settlement?

19      A.       Not exactly that.

20               During the meeting, actually the  
21      proposal, the way I propose it was  
22      rejected. So they asked me to do  
23      something else, were very insistent, so we  
24      can read and see what happened there.

25               So after that, I pretty much

1           S. Leontiev -- CONFIDENTIAL  
2       stopped negotiating with them but  
3       Alexander will keep trying to find a  
4       solution himself.

5           Q.       And Mr. Leontiev, in September,  
6       2015 you proposed repayment schedules for  
7       repaying \$83 million over either two and a  
8       half or three and a half years as part of  
9       those discussions; correct?

10          A.       That was our internal discussion  
11       on that with Alexander which I never  
12       proposed to Mr. Varshavsky.

13          Q.       You don't know whether Mr.  
14       Zheleznyak passed those proposals on to  
15       Mr. Varshavsky?

16          A.       I don't know.

17          Q.       But you gave them to Mr.  
18       Zheleznyak for the purpose of making --

19          A.       Internal discussions, yes.  
20       Because you must understand he keep  
21       pressuring me --

22          Q.       Mr. Zheleznyak?

23          A.       Yes. He had literally  
24       eighteen-hour calls with Mr. Varshavsky a  
25       day. So after that on his free time he



1           S. Leontiev -- CONFIDENTIAL  
2       was calling me and asking to find -- he  
3       was just asking.

4           Q.       You know that the repayment  
5       schedules that you describe as internal  
6       that you gave to Mr. Zheleznyak were  
7       shared with Mr. Varshavsky; right?

8           A.       I found out later.

9           Q.       Mr. Zheleznyak told you that;  
10       right?

11          A.       Yes. I think so.

12          Q.       Right.

13                 And you understood that the  
14       repayments that Mr. Zheleznyak shared with  
15       Avilon provided for repayment of \$83  
16       million over a period of either two and a  
17       half or three and a half years; correct?  
18       You understood that that's what the  
19       proposal was as part of the settlement?

20          A.       Exactly. So it's -- no, can I  
21       -- let me finish. I want to finish this.

22                 As you said, a part of the  
23       settlement and, as I explained previously,  
24       another part of the settlement was their  
25       cooperation and why was I not eager to

1           S. Leontiev -- CONFIDENTIAL  
2       move further is because they started  
3       threatening us. So instead of  
4       cooperation, I've got real threats and a  
5       criminal case was opened which I can think  
6       was also Varshavsky was involved in that,  
7       so that was the reason that I stopped that  
8       negotiation at all.

9           Q.       Mr. Leontiev --

10          A.       Because this part of the  
11       settlement package was actually breached.

12          Q.       Mr. Leontiev, of the moneys that  
13       were owed to Avilon by Ambika, you agree  
14       with me that seventeen million was repaid  
15       in 2015 from Valkera?

16                 MR. WEIGEL: I object to form.  
17       Foundation.

18          Q.       You can answer.

19          A.       We pay -- Alexander made the  
20       payment, I know that Alexander made the  
21       payment of seventeen million from Valkera.

22          Q.       And you approved the payment?

23          A.       I would say I didn't stop it.

24          Q.       You approved it; right? You  
25       okayed it?

1 S. Leontiev -- CONFIDENTIAL

2 A. I could stop it but I decided  
3 not to do.

4 Q. Is that different from okaying  
5 it?

6 A. No, I'm just telling you the  
7 truth.

8 Q. So you had the power to stop it;  
9 right?

10 A. Not exactly.

11 Q. That's just using your words.  
12 You didn't have the power to  
13 stop the payment of \$17 million from  
14 Valkera?

15 A. Formally I couldn't stop it. So  
16 formally Vadim just asked me are you okay  
17 with the payment and I could say no and I  
18 don't know what they would do to that and  
19 I could say yes and at the end I said yes.

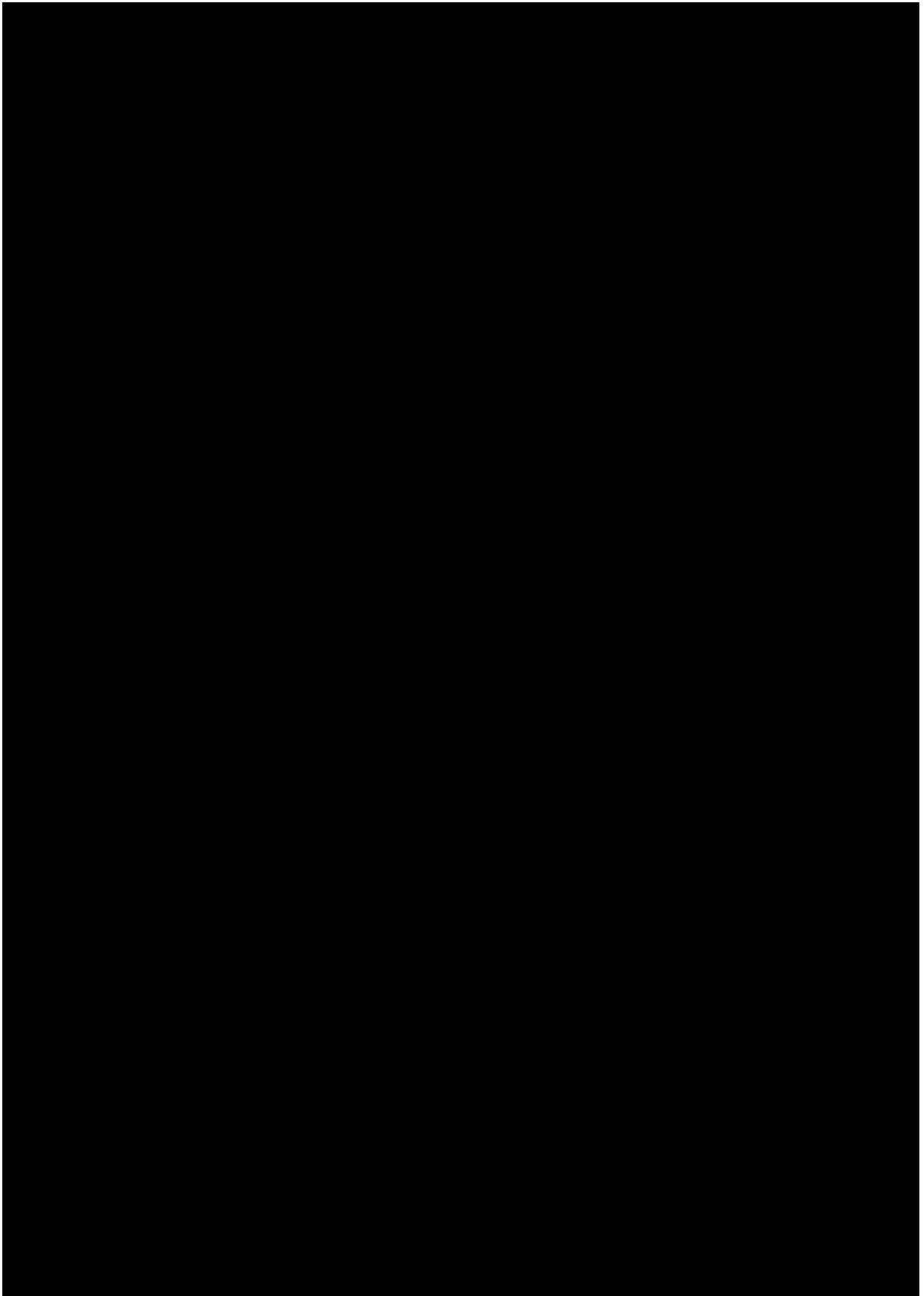
20 Q. So you okayed the payment of \$17  
21 million from Valkera?

22 A. At the end I said yes.

23 Q. So you said yes to payment.

24 And is it your understanding  
25 that that payment was one that you could

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1 S. Leontiev -- CONFIDENTIAL

2 Q. Who was the owner of Valkera?

3 A. Nominal director.

4 Q. Nominal director was the owner  
5 of Valkera?

6 A. Yes.

7 Q. Who was that?

8 A. I don't know.

9 Q. You have no idea? Was it Vadim  
10 Kolotnikov?

11 A. No.

12 Q. So someone was put in to serve  
13 as a nominal director who didn't actually  
14 own or control the company; right?

15 A. The way all the  
16 off-balance-sheet companies of the bank  
17 were structured, they all had, some of  
18 them had nominal directors.

19 Q. When you use the word "nominal,"  
20 you mean someone who is not, in fact,  
21 owning or controlling the company but  
22 whose name appears in the registrar as the  
23 owner of the company?

24 A. Yes.

25 Q. Okay.

S. Leontiev -- CONFIDENTIAL

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Q. Okay.

And this was at the time when

1 S. Leontiev -- CONFIDENTIAL

2 you were chief investment officer for  
3 Wonderworks; correct?

4 A. Yes.

5 Q. And the sole beneficial owner of  
6 Wonderworks; correct?

7 A. Yes.

8 Q. And one of your duties --

9 MR. HECKER: Strike that.

10 Q. Weren't you in effect the CEO of  
11 Wonderworks?

12 A. No, I was chief investment  
13 officer.

14 Q. So you weren't the CEO?

15 A. No.

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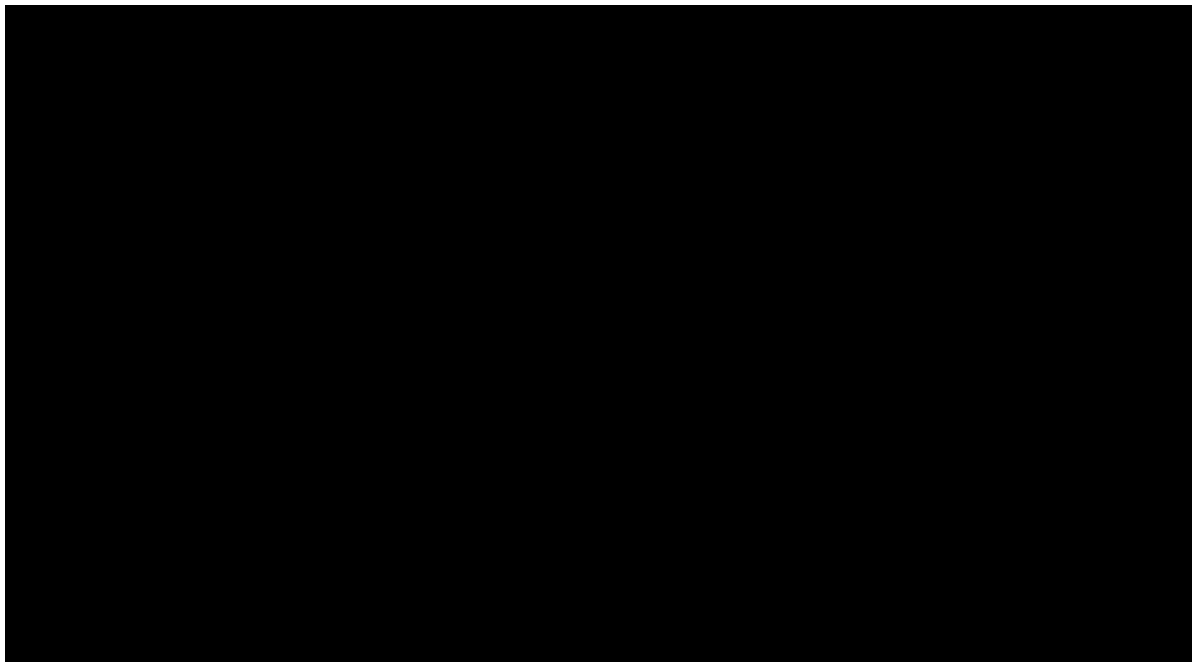
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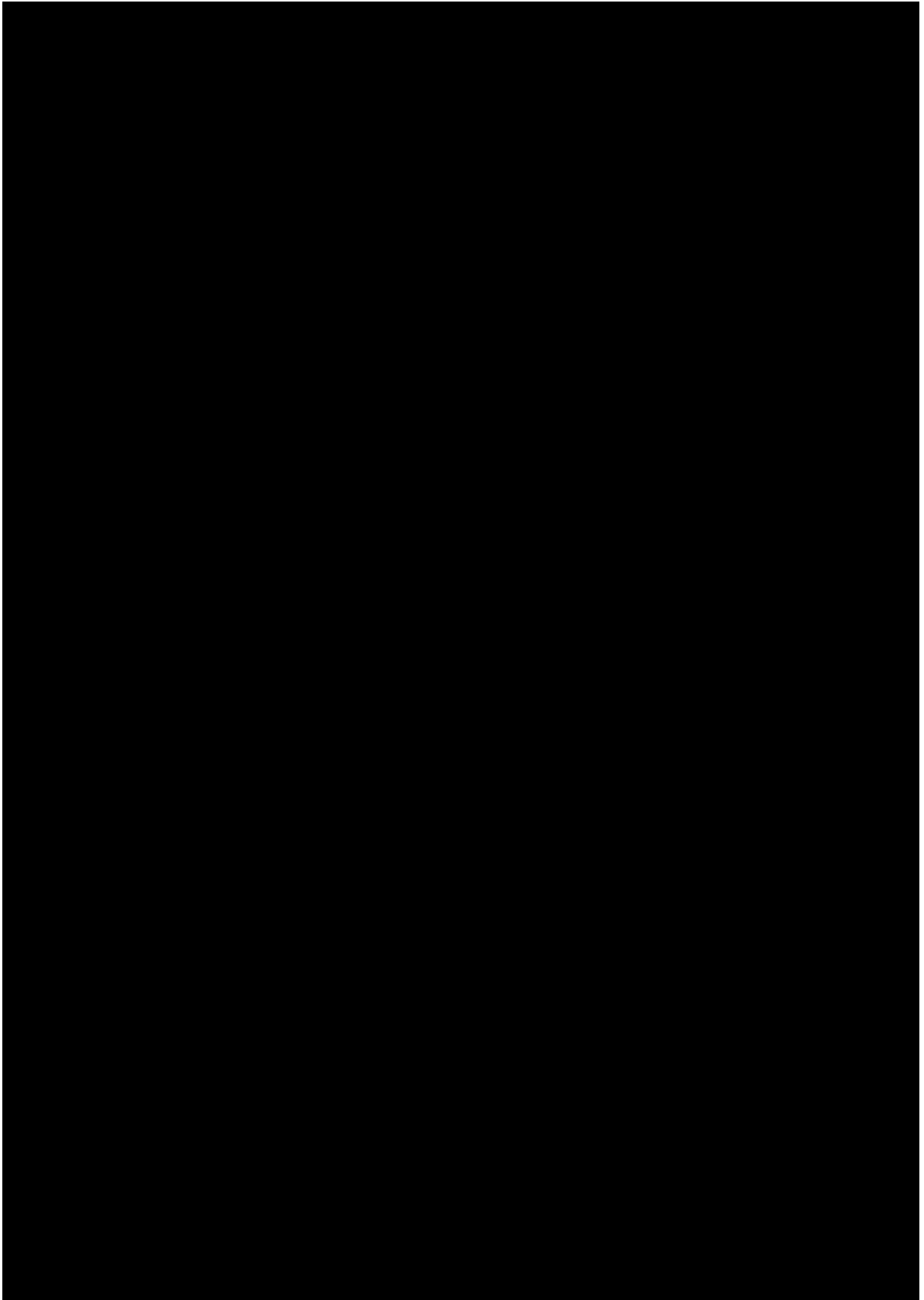
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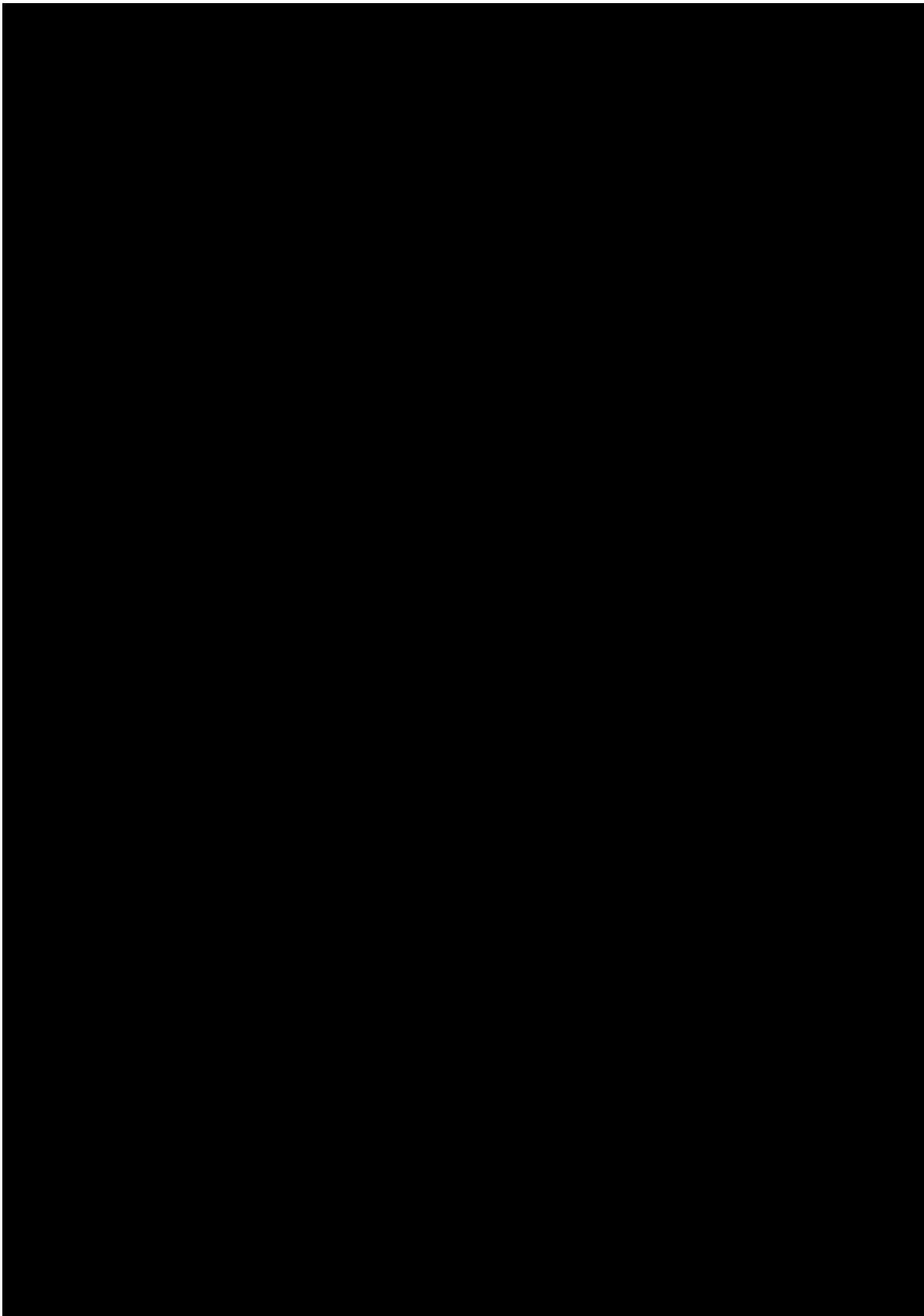


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1 S. Leontiev -- CONFIDENTIAL

2 Q. After the liquidation --

3 MR. HECKER: Sorry, strike that.

4 Q. After the license for  
5 Probusinessbank was pulled in August,  
6 2015, did Vadim Kolotnikov and others  
7 working for you control the operations of  
8 the off-balance-sheet entities that had  
9 been established by Probusinessbank  
10 employees?

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24 Q. Some Probusinessbank employees  
25 worked at Wonderworks as well?

1                   S. Leontiev -- CONFIDENTIAL

2           A.       Yes.   Actually, were, let's say  
3   were involved in the team which did the  
4   business.

5           Q.       They spent some of their time  
6   working to advance the interests of  
7   Wonderworks; correct?

8           A.       Exactly, yes.

9           Q.       And that was your own investment  
10   vehicle?

11          A.       Yes.

12          Q.       And those same employees were  
13   also involved in the operations of  
14   Probusinessbank; right?

15          A.       Yes.

16          Q.       But when they were wearing  
17   different hats, they had different duties;  
18   correct?

19          A.       Yes.

20          Q.       And after the license for  
21   Probusinessbank was pulled in August of  
22   2015, did Wonderworks employees including  
23   Vadim Kolotnikov control the operations of  
24   the off-balance-sheet entities that had  
25   been established by Probusinessbank

1                   S . Leontiev -- CONFIDENTIAL  
2           A F T E R N O O N       S E S S I O N  
3                   January 3, 2017  
4                   1:38 p.m.

5                   THE VIDEOGRAPHER: We are back on  
6           the record at 1:38 p.m.

7   S E R G E Y   L E O N T I E V, having  
8           been previously duly sworn by a  
9           Notary Public of the State of  
10          New York, upon being examined,  
11          testified as follows:

12   EXAMINATION CONTINUED BY

13   MR. HECKER:

14          Q.       Mr. Leontiev, Ambika Investments  
15   Limited was an off-balance-sheet entity  
16   created by employees of Probusinessbank;  
17   is that right?

18          A.       Yes.

19          Q.       And to your knowledge, has  
20   Ambika repaid any creditors after  
21   September of 2015?

22          A.       I don't know.

23          Q.       You don't know?

24                   Why was Ambika created?

25          A.       Ambika is one of the

1 S. Leontiev -- CONFIDENTIAL

2 off-balance-sheet companies of the bank  
3 which was used in wealth management  
4 products.

5 Q. Did it serve any purposes other  
6 than providing wealth management products  
7 to potential investors?

8 A. Not that I knew, but we had  
9 other products as well.

10 Q. Do you know whether it provided  
11 any purposes --

12 A. I don't know about specifically  
13 this company.

14 Q. You don't know about Ambika in  
15 particular?

16 A. No.

17 Q. But Probusinessbank employees  
18 had control over Ambika's management and  
19 operations; right?

20 A. The bank had control, yes.

21 Q. Right.

22 And the bank acted through  
23 employees; right?

24 A. We had this discussion several  
25 hours ago.

1 S. Leontiev -- CONFIDENTIAL

2 Q. And you agree with me that --

3 A. My point is that bank had  
4 control --

5 Q. You need to let me finish the  
6 question so the record's clear.

7 It is the bank operating through  
8 its employees that the control is  
9 exercised by the bank; right?

10 A. Yes.

11 Q. And Ms. Vyulkova was one of the  
12 bank employees who participated in the  
13 process of establishing and operating  
14 these off-balance-sheet entities?

15 A. Yes.

16 Q. And Probusinessbank had access  
17 to the funds that were raised through the  
18 activities of Ambika and other  
19 off-balance-sheet entities?

20 A. I'd say this is the right  
21 statement: Probusinessbank was selling  
22 wealth management products to the clients.  
23 Ambika was just part of the structure.

24 Q. Right.

25 And the moneys that were raised

1                   S. Leontiev -- CONFIDENTIAL

2       by Ambika went to the treasury of the  
3       bank; right?

4           A.       Yes.

5           Q.       And they were controlled by bank  
6       employees there?

7           A.       Of course.

8           Q.       And we spoke earlier about  
9       Trident and you said you were familiar  
10      with Trident as a --

11          A.       Registrar.

12          Q.       -- a registrar of companies  
13      based in Cyprus?

14          A.       Yes.

15          Q.       And Trident employees served as  
16      directors of Ambika; right?

17          A.       I don't know about Ambika.

18          Q.       You know that they provided  
19      directors for Wonderworks; right?

20          A.       Yes.

21          Q.       What about Vermenda, is that  
22      company familiar to you?

23          A.       Just found out here.

24          Q.       That's another off-balance-sheet  
25      entity created by Probusinessbank

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2 A. Strategy of the Wonderworks.

3 Q. What did you tell them?

4 A. Explained them what the strategy  
5 is.

6 Q. This was the only time you've  
7 ever spoken to the directors?

8 A. Yes.

9 Q. So you were the COO of  
10 Wonderworks and the sole beneficial owner  
11 during the entire period that Wonderworks  
12 existed; is that correct?

13 A. Can I correct my answer?

14 Q. Yes, of course.

15 A. That was the only one which I  
16 remember at the moment.

17 Q. So you were the COO of  
18 Wonderworks and the sole beneficial owner  
19 during the entire period that Wonderworks  
20 existed; right?

21 A. Chief investment officer, yes,  
22 sir.

23 Q. Chief investment officer. I  
24 apologize.

25 And your testimony is that you



1                   S. Leontiev -- CONFIDENTIAL

2       employees did contacts.

3           Q.       Not Trident?

4           A.       Did contacts with Trident, yes.

5           Q.       Is it fair to say that Andreas  
6       and any other Trident directors who served  
7       as directors for Wonderworks took their  
8       instructions from Wonderworks employees?

9           A.       I think so.

10          Q.       Do you know who Aleksandr  
11       Shcheglyayev is?

12          A.       I found out recently.

13          Q.       You found out recently meaning  
14       in the context of the litigation?

15          A.       Yes.

16          Q.       You now know that he was the  
17       nominee beneficial owner for Ambika and  
18       Valkera; right?

19          A.       Uh-huh.

20          Q.       Yes?

21          A.       Yes.

22          Q.       And you understood that he was  
23       paid a small fee to serve in that  
24       function?

25          A.       Yes.

1                   S. Leontiev -- CONFIDENTIAL

2           Q.       You also learned that he was a  
3   beneficial owner of Vermenda, right,  
4   nominee beneficial owner?

5           A.       I don't know that.

6           Q.       You're not sure about that one?

7           A.       No.

8           Q.       Ambika has a shareholder that is  
9   a BVI entity called Greater Divide, LLC.  
10                   Is that an entity that you're  
11  familiar with?

12          A.       No.

13          Q.       You don't know who owns Greater  
14  Divide Limited?

15          A.       No.

16          Q.       What about Vennop Trading  
17  Limited, is that an entity with which  
18  you're familiar?

19          A.       During the investigation.

20          Q.       By investigation, do you mean  
21  the litigation that you brought?

22          A.       The litigation, sorry.

23          Q.       And you now know that that's an  
24  off-balance-sheet entity that was created  
25  by Probusinessbank employees?

1           S . Leontiev -- ATTORNEYS' EYES ONLY

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20                   MR. WEIGEL: Are you talking

21           about before the trust was set up?

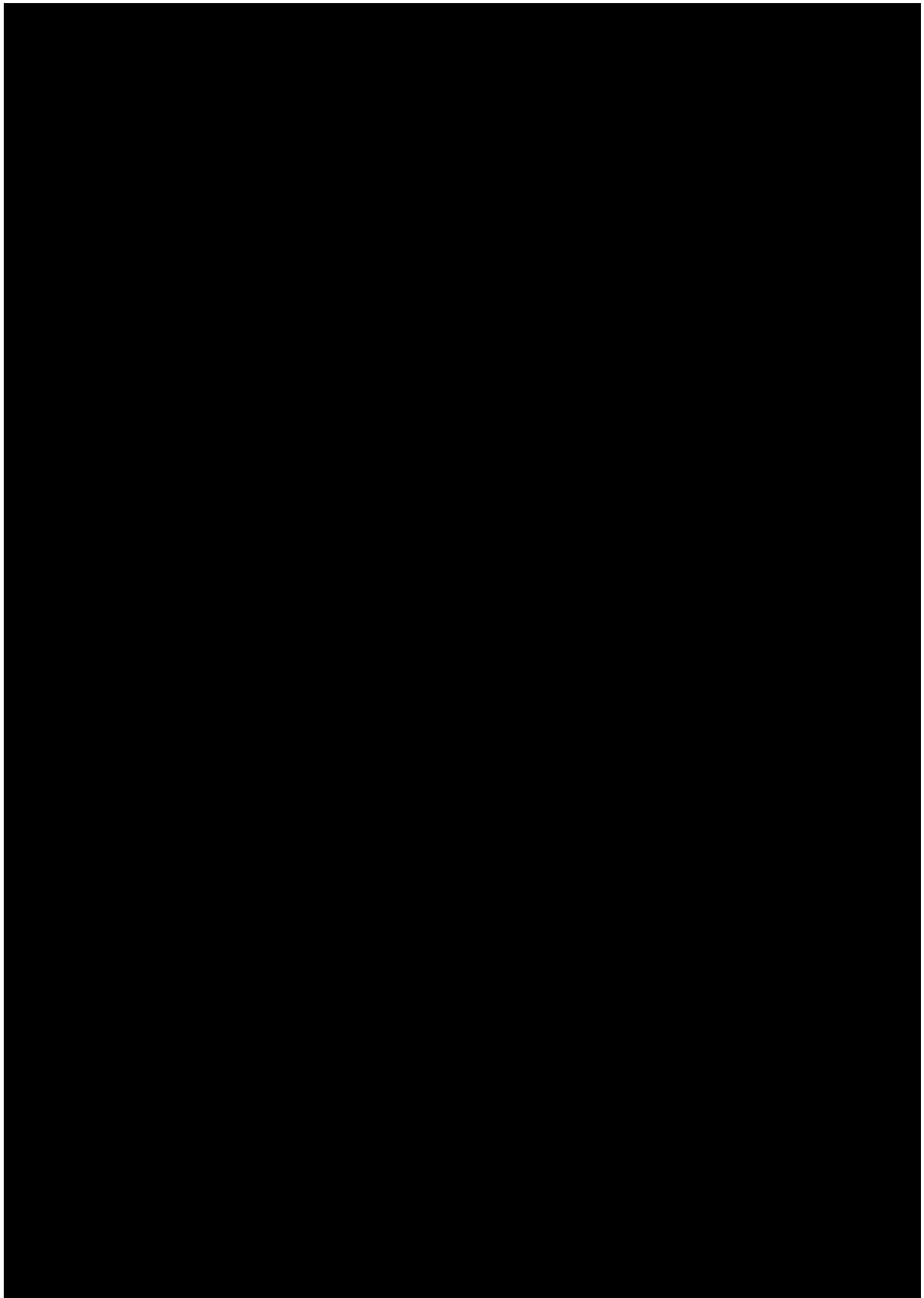
22                   THE WITNESS: To now I'm not.

23           Q.       Excluding the time period after

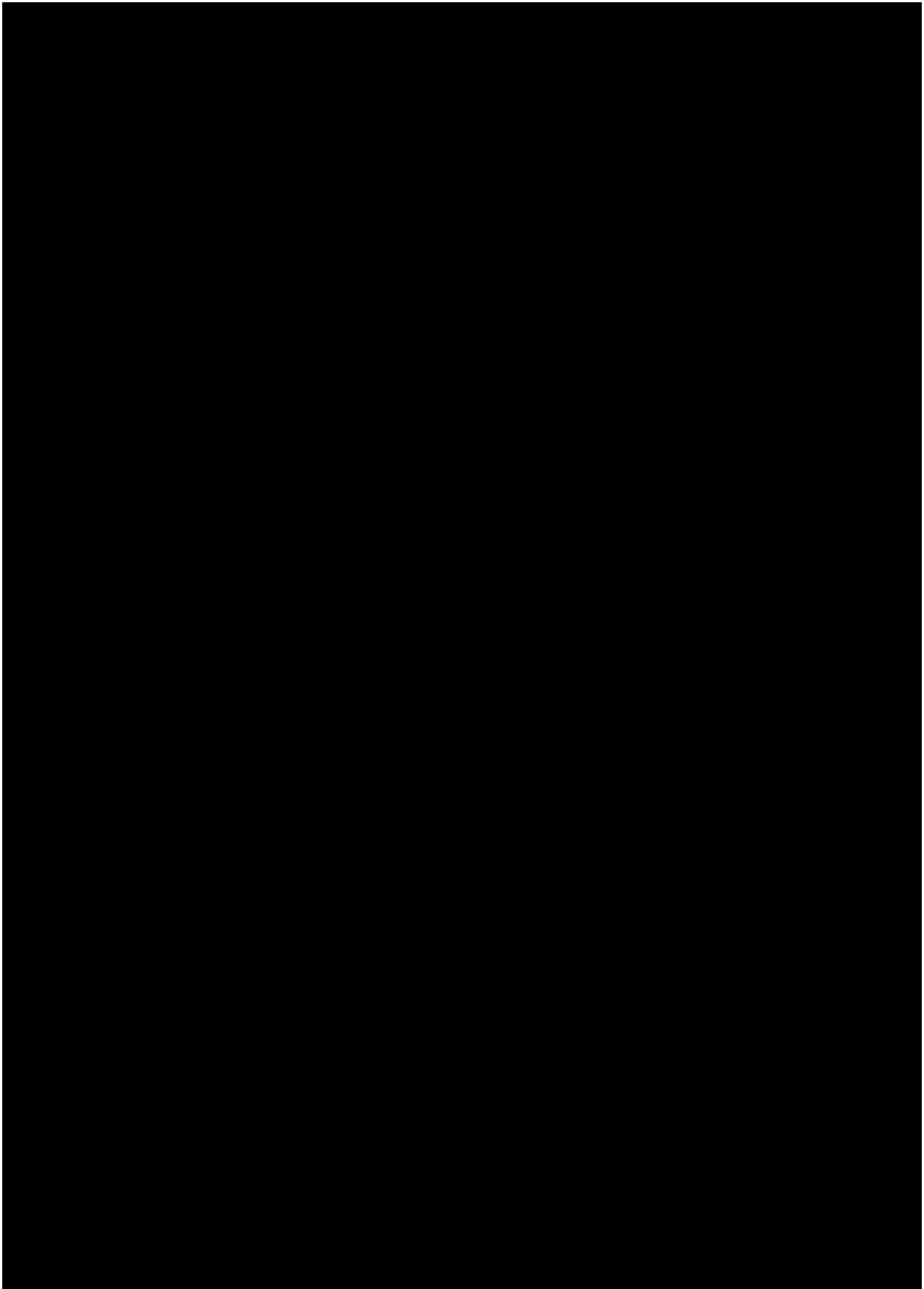
24   you set up a trust --

25                   MR. HECKER: Strike that.

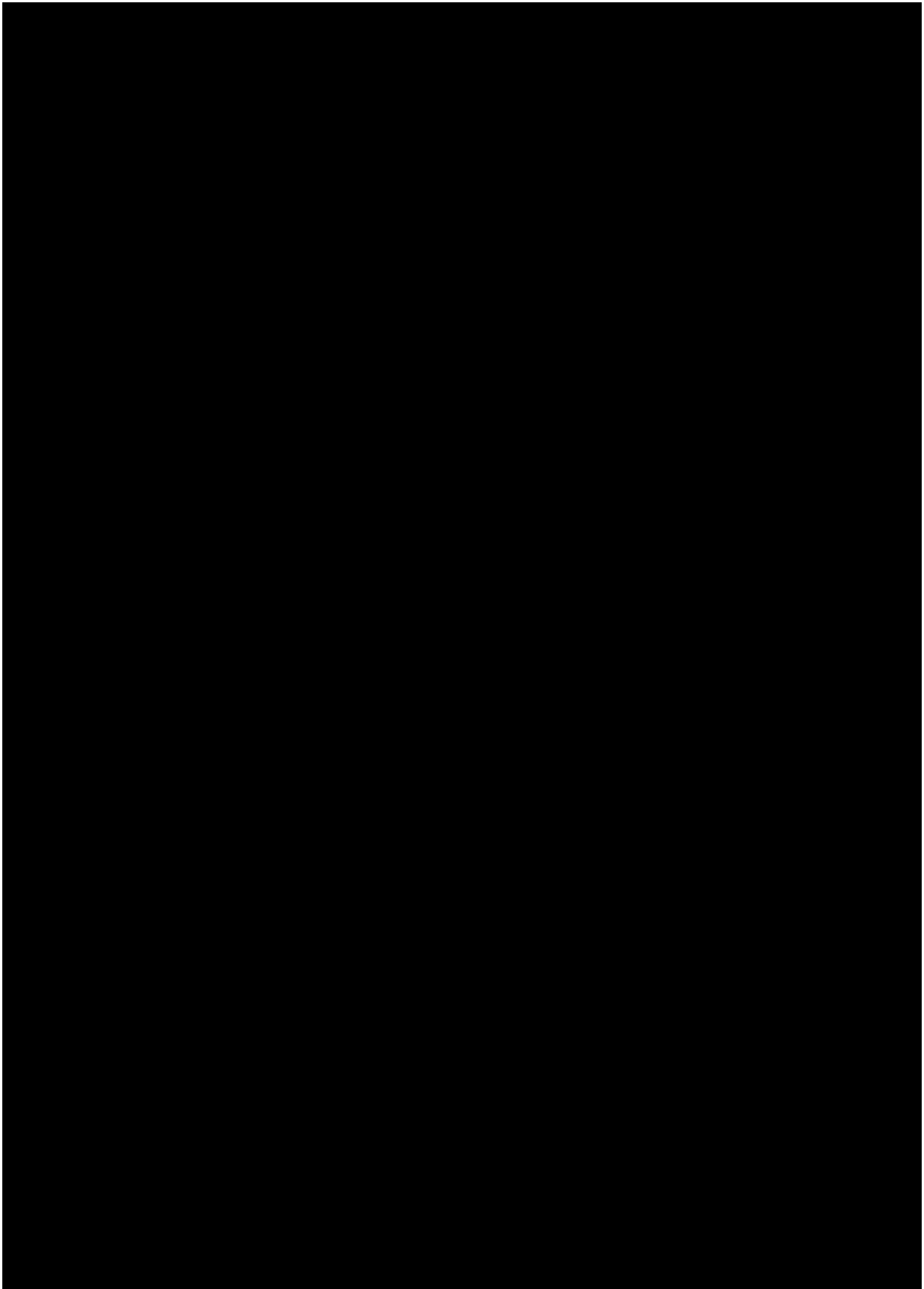
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1 S. Leontiev -- CONFIDENTIAL

2 before?

3 A. I don't remember this document.

4 Q. You don't remember this  
5 document?

6 A. Can I read it, please?

7 Q. Sure.

8 A. (Reviewing) .

9 Uh-huh.

10 Q. Having now read the document, is  
11 this a document you've seen before?

12 A. No.

13 Q. Do you know what it was provided  
14 for?

15 A. No.

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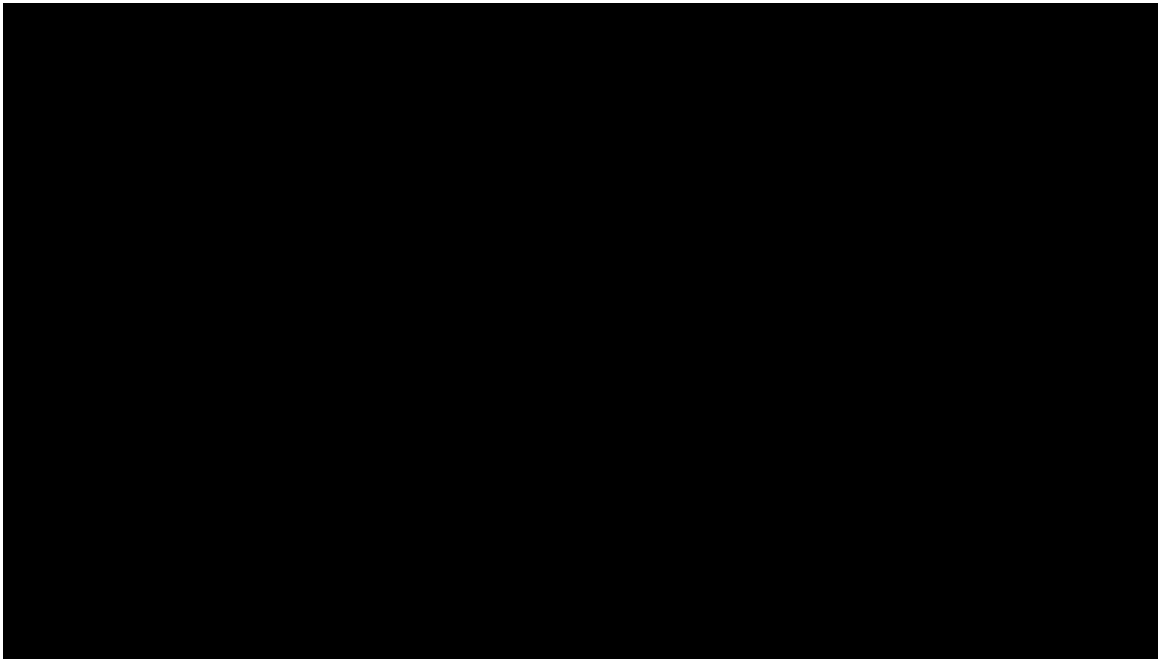
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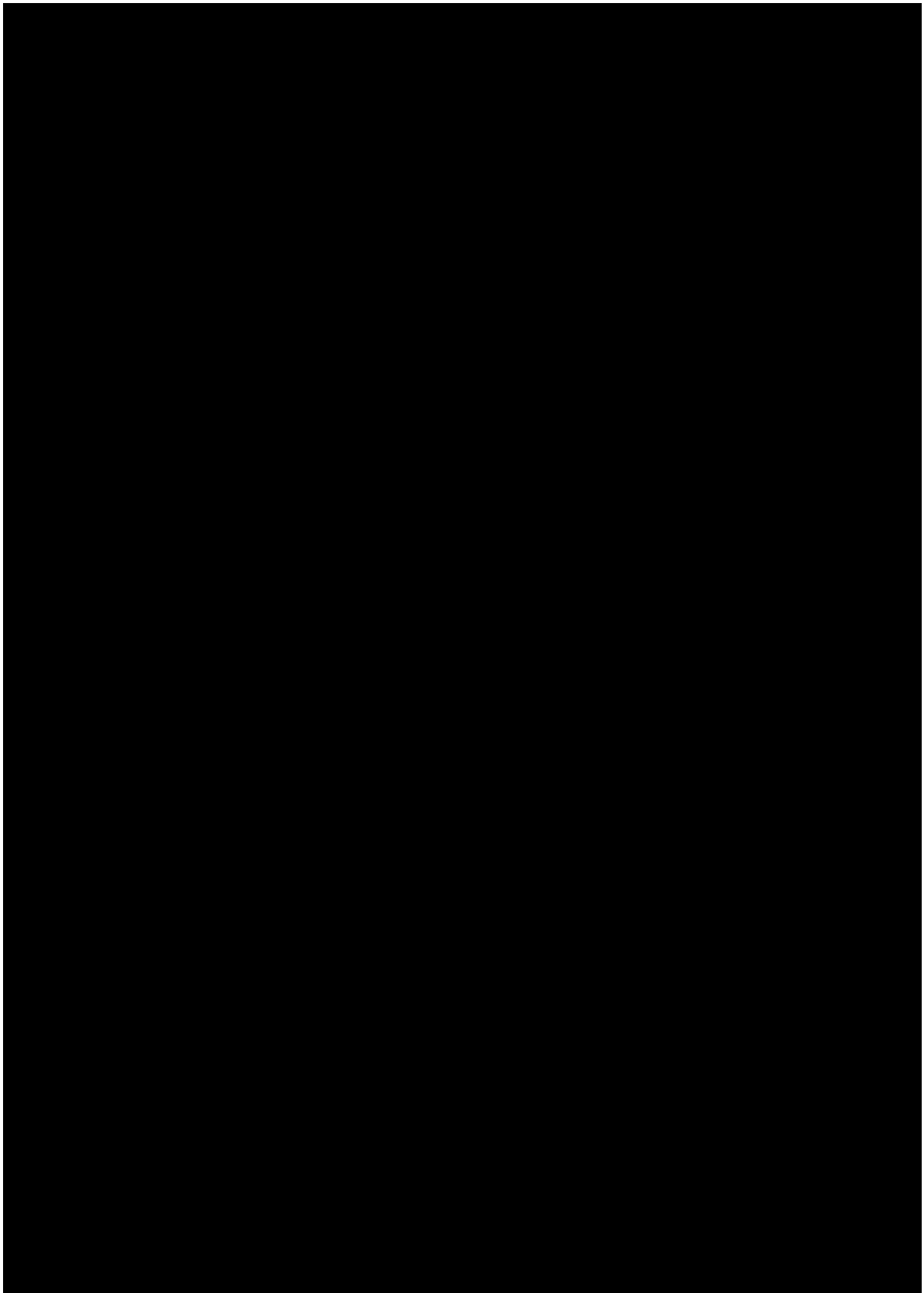
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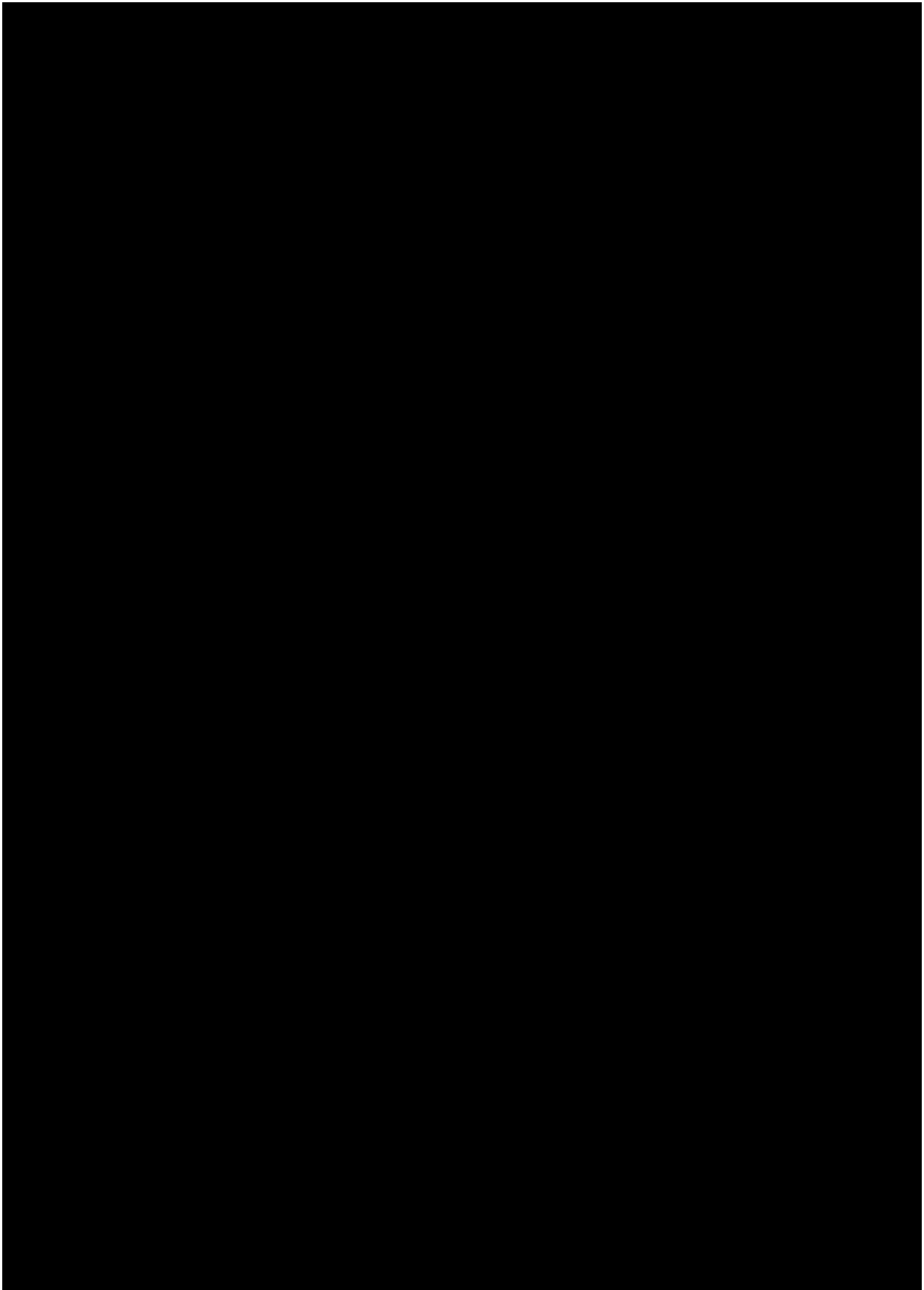


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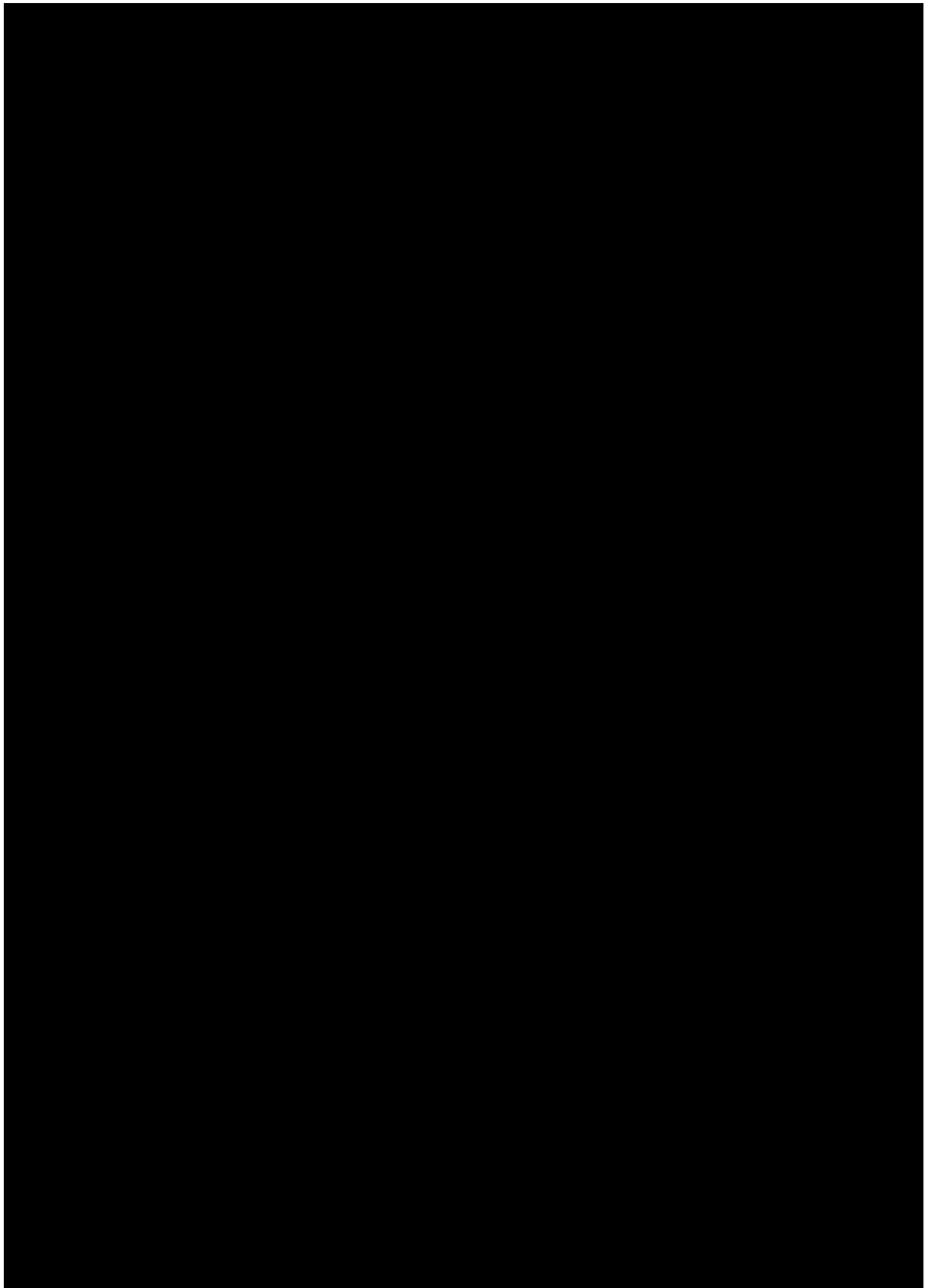




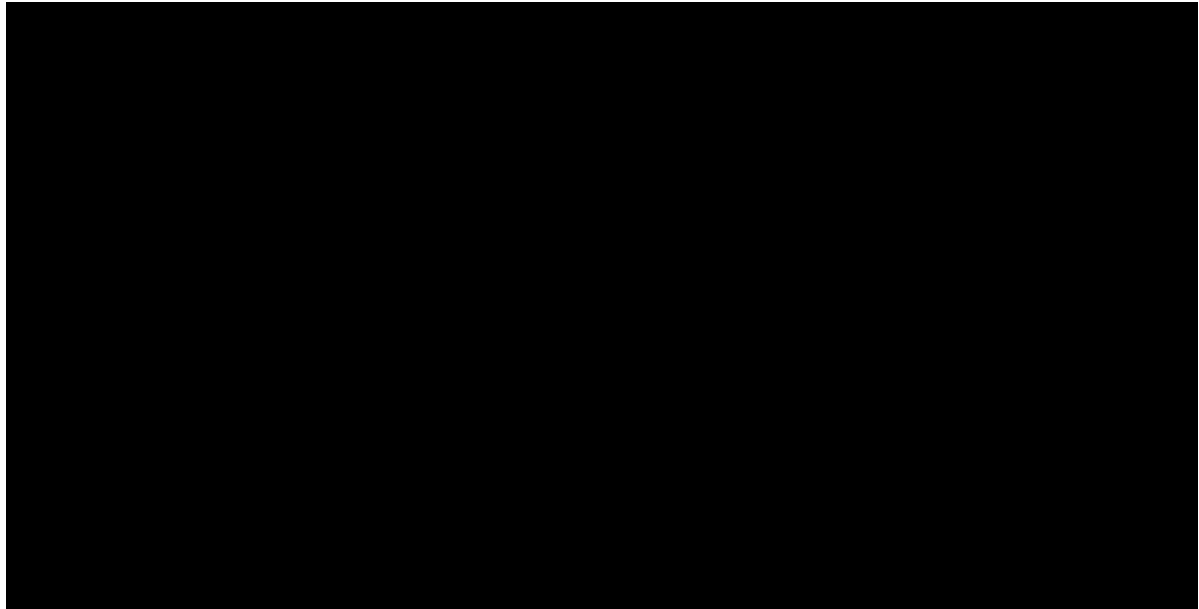
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1 S. Leontiev -- CONFIDENTIAL



11 A. Do you want me to guess?

12 Q. I want you to tell me if you can  
13 think of something that may have been  
14 around this time that would have prompted  
15 this letter.

16 A. It will be guess.

17 Q. Go ahead then.

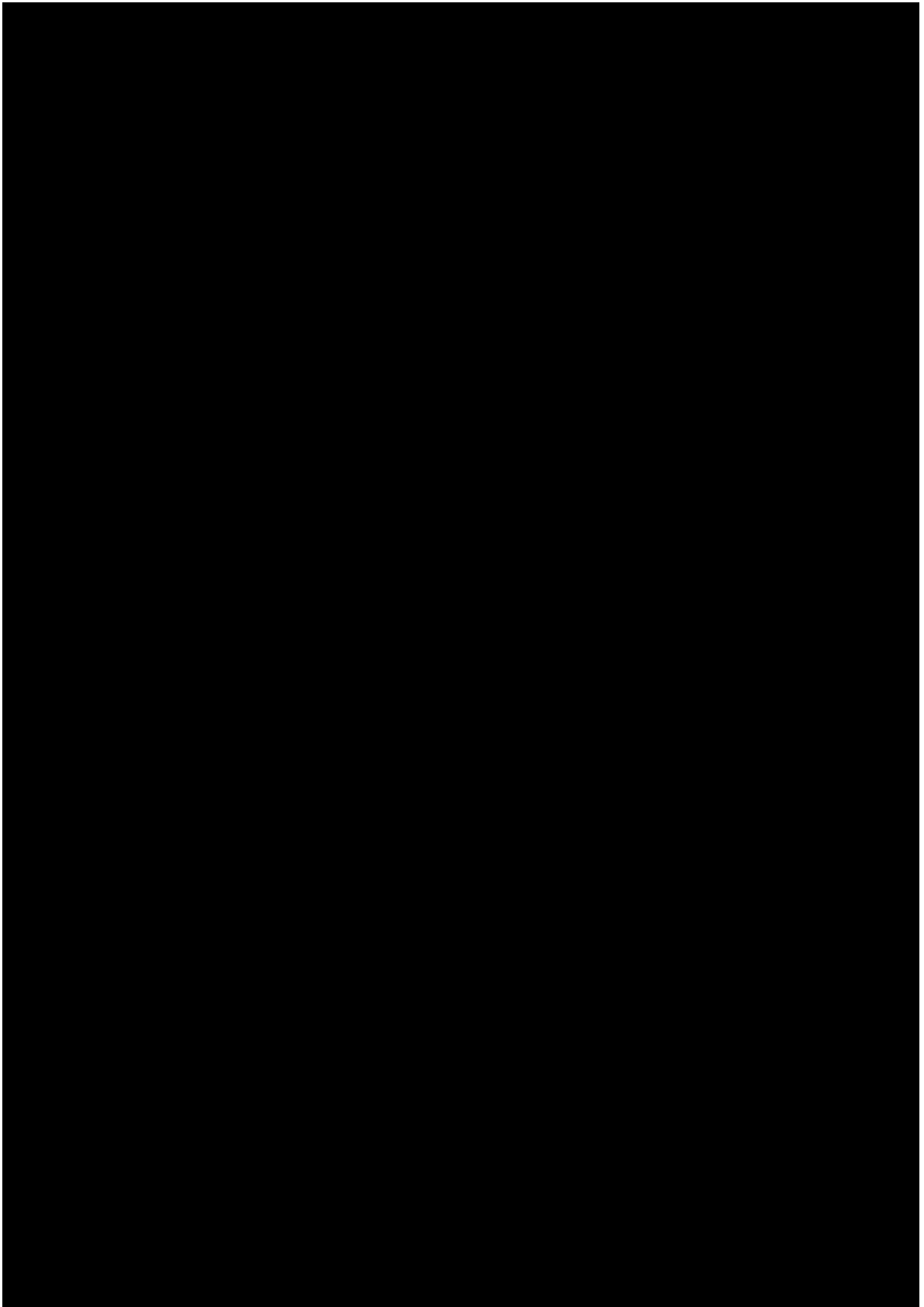
18 MR. WEIGEL: Don't guess.

19 THE WITNESS: I can't remember.

20 MR. WEIGEL: Don't guess. You  
21 shouldn't guess. If you have an  
22 answer, if you can help him out please  
23 do so, but don't guess.

24 (Whereupon, a six-page document  
25 was marked Defendant's Exhibit 13

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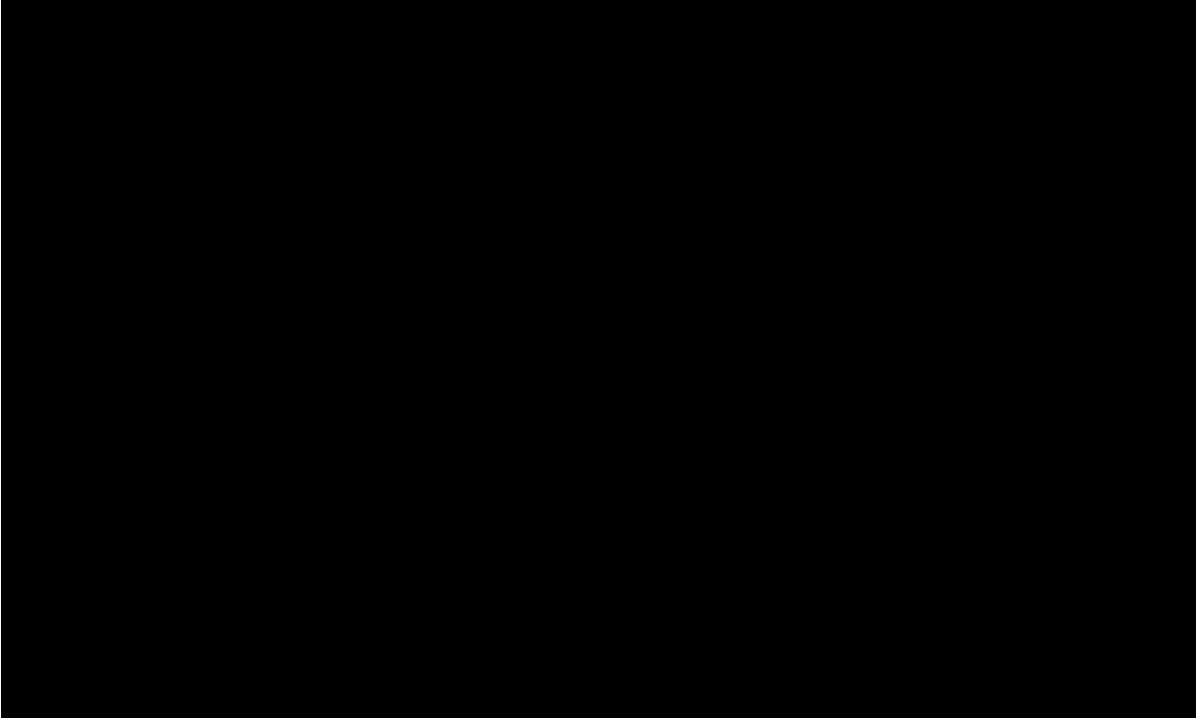


1 S. Leontiev -- CONFIDENTIAL

2 MR. WEIGEL: I object. Broad,  
3 vague.

4 Q. Go ahead.

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16 Q. Was Nadezhda, was that person  
17 also an employee of Probusinessbank?

18 A. I don't think -- I don't have.

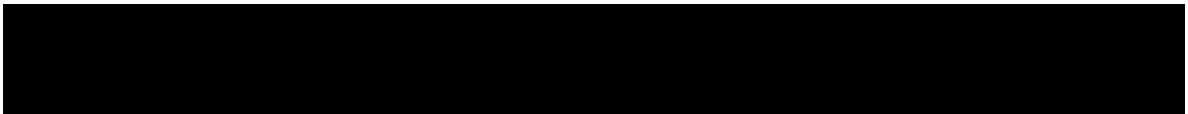
19 Q. What about Afanasyev?

20 A. Afanasyev, yes, was a chief of a  
21 department.

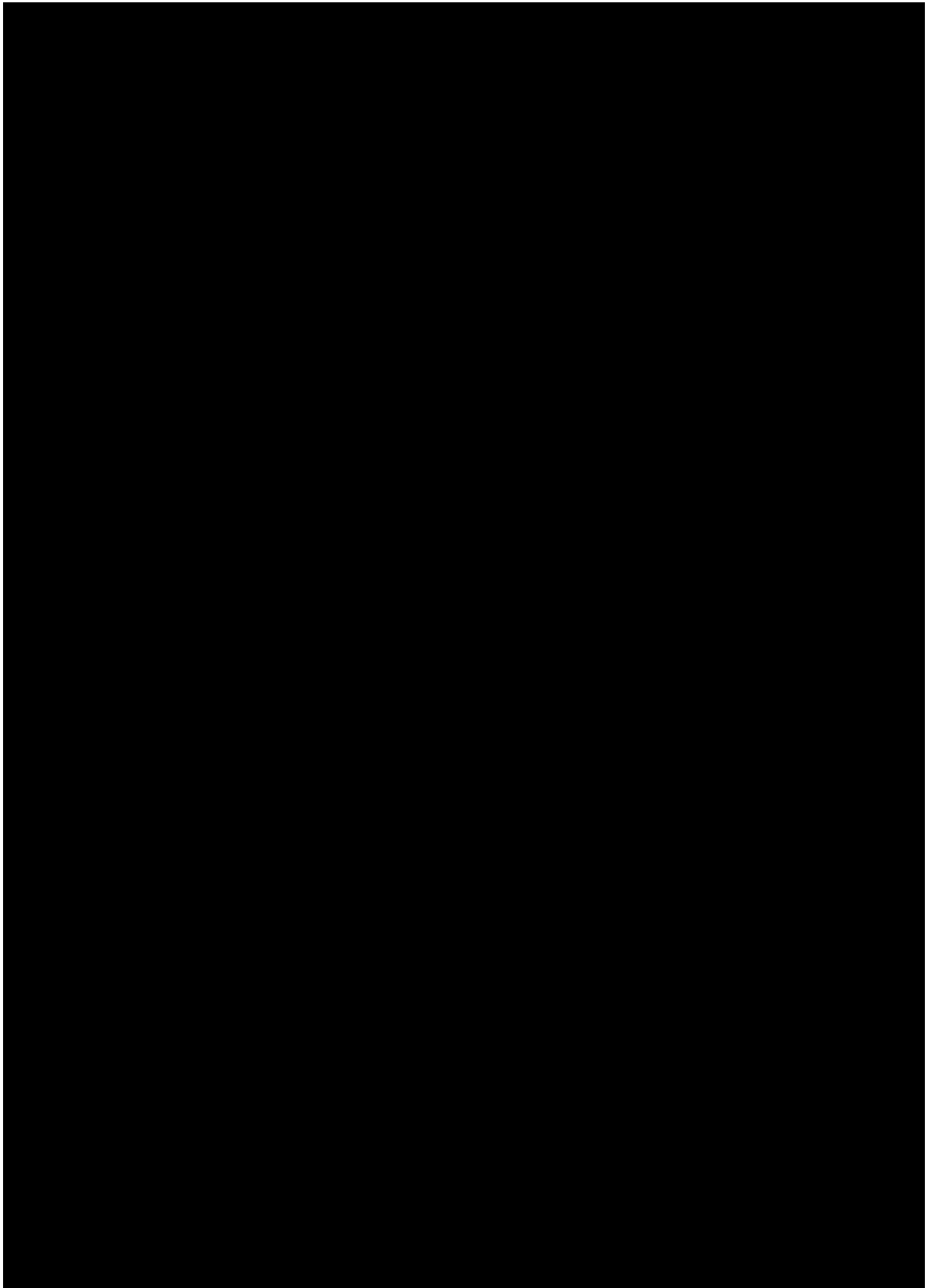
22 Q. Which department?

23 A. Analytical investments.

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1                   S. Leontiev -- CONFIDENTIAL

2           A.       Kazmarck.

3           Q.       He's identified here as head of  
4 trading.

5           A.       Uh-huh.

6           Q.       Is that accurate?

7           A.       Yes. He was a trader.

8           Q.       And head of research was who?

9           A.       Gorozhankin. That's what I  
10 said.

11          Q.       Do you see under the  
12 organizational chart of the company it  
13 says, "as can be seen from the chart  
14 above, Mr. Leontiev was acting as a CEO of  
15 the company taking direct participation in  
16 Wonderworks management?"

17          A.       Where does it say that?

18          Q.       Under that chart that we were  
19 just looking at.

20          A.       I don't know why it says CEO.  
21 As shown here on the chart itself, it's  
22 chief investment officer, that's right.  
23 Different parts from the document  
24 contradict the chart.

25          Q.       So who was the CEO of the

1 S. Leontiev -- CONFIDENTIAL

2 company?

3 A. Afanasyev.

4 Q. Wait, who?

5 A. Afanasyev.

6 Q. Does he appear in the chart at  
7 all?

8 A. I don't know who did this.

9 Q. Is this on the right side, on  
10 the far right is that Maksim Afanasyev's  
11 name on the far right at the top?

12 A. I can't read.

13 Q. Yes, it's hard to read.

14 But you agree with me he's not  
15 identified here as the CEO?

16 A. I don't know why.

17 Q. And you don't know who created  
18 this?

19 A. I don't know. But there is one  
20 thing which is right that I'm chief  
21 investment officer.

22 Q. In the box it's correct, it's  
23 wrong in the description below the box?

24 A. Yes.

25 Q. Have you asked any of your team



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2 Q. Is that approximately the number  
3 that you recall?

4 A. Approximately maybe.

5 Q. [REDACTED]  
6 [REDACTED]

7 A. [REDACTED].

8 Q. [REDACTED]  
9 [REDACTED]

10 A. [REDACTED]

11 Q. [REDACTED]  
12 [REDACTED]

13 [REDACTED]

14 A. [REDACTED]

15 Q. [REDACTED]  
16 [REDACTED]

17 [REDACTED]

18 A. [REDACTED]

19 Q. [REDACTED]  
20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 A. What do you mean created by  
24 Probusinessbank employees?

25 Q. Set up by them.

1 S. Leontiev -- CONFIDENTIAL

2 A. No, that's not true. Let me  
3 explain again.

4 So the off-balance-sheet  
5 entities of the bank, they were just part  
6 of the infrastructure so they couldn't do  
7 anything. The deals were done by the head  
8 of the business units of the bank. These  
9 were more than a hundred of them. [REDACTED]  
10 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
11 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
12 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
13 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
14 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
15 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
16 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

17 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
19 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

20 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

21 Q. Which ones by name?

22 A. There are hundreds of them.

23 Q. Name one.

24 MR. WEIGEL: Why are you raising  
25 your voice, counsel?

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2 MR. HECKER: The video will  
3 reflect that I'm not raising my voice.

4 THE WITNESS: Voronov.

5 Q. Excuse me?

6 A. Voronov.

7 Q. Voronov?

8 A. Arshinov.

9 Q. You're going to have to go slow  
10 and spell them.

11 MR. HECKER: You know what?  
12 We're running out of video.

13 Can we take a short break?

14 MR. WEIGEL: We've been going on  
15 for an hour anyway.

16 MR. HECKER: Five minutes.

17 THE VIDEOGRAPHER: We're going  
18 off the record at 2:37 p.m.

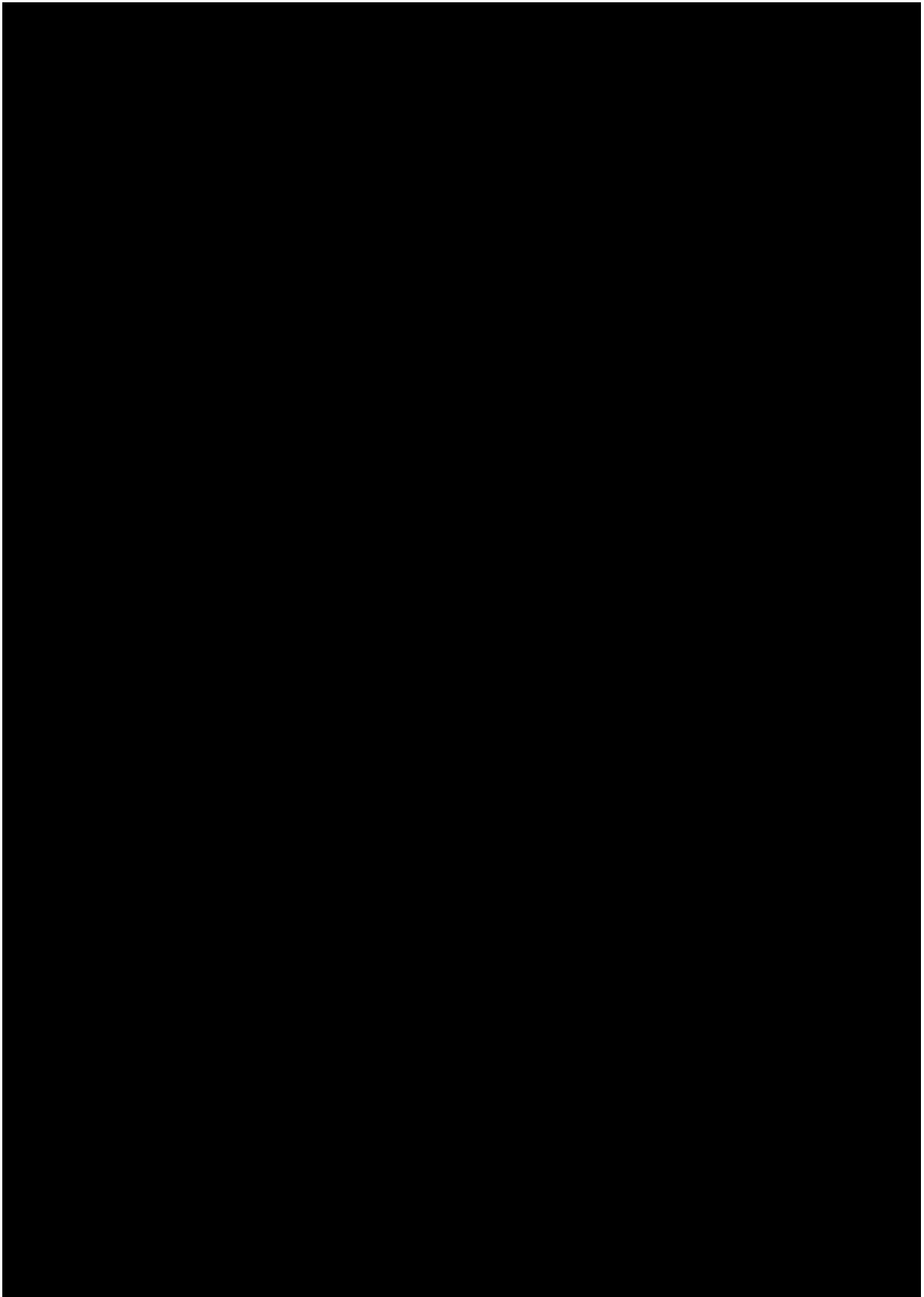
19 This marks the end of media two.  
20 (Whereupon a break was taken)

21 THE VIDEOGRAPHER: We are back on  
22 the record at 2:51 p.m.

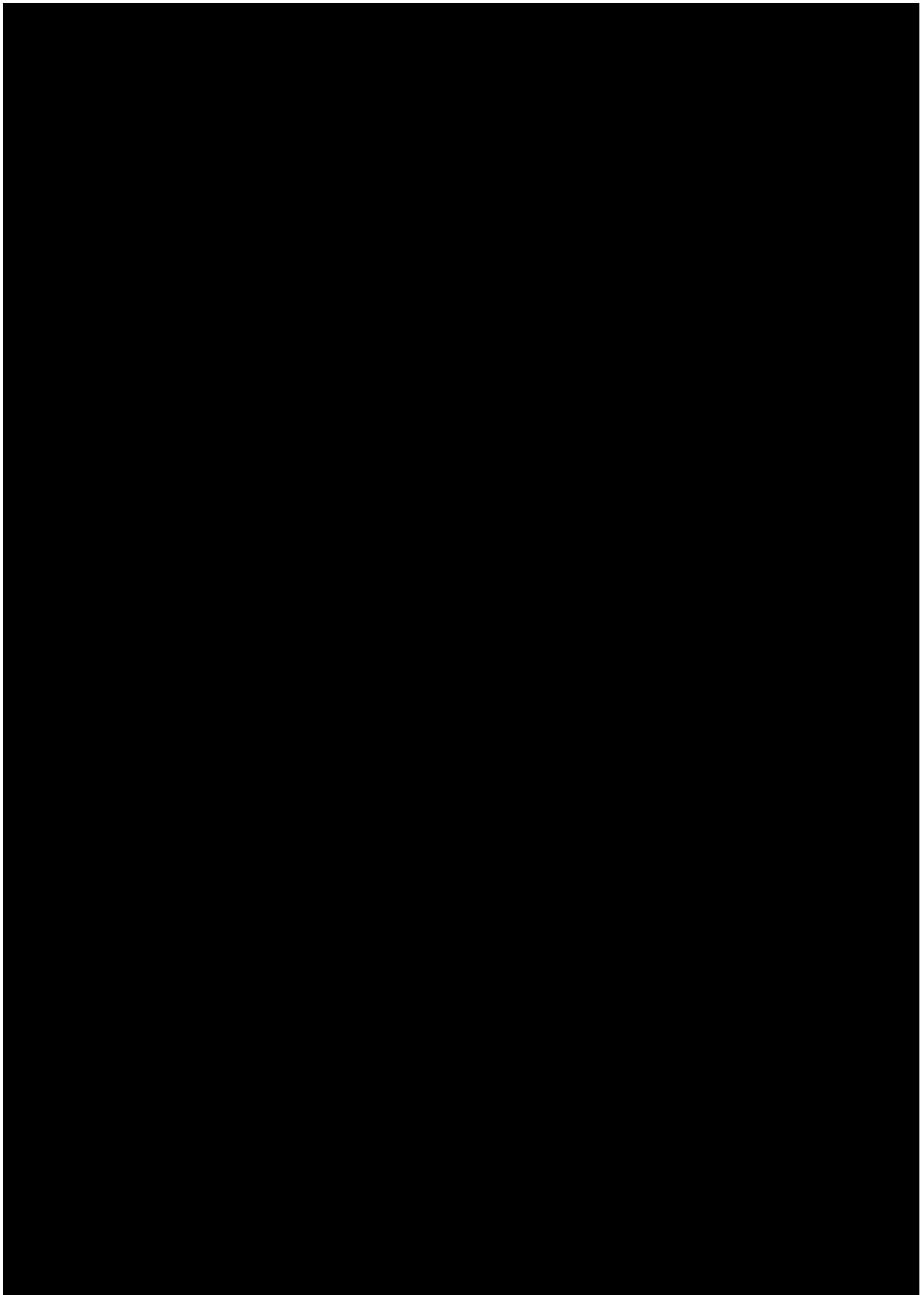
23 This marks the beginning of  
24 media number three.

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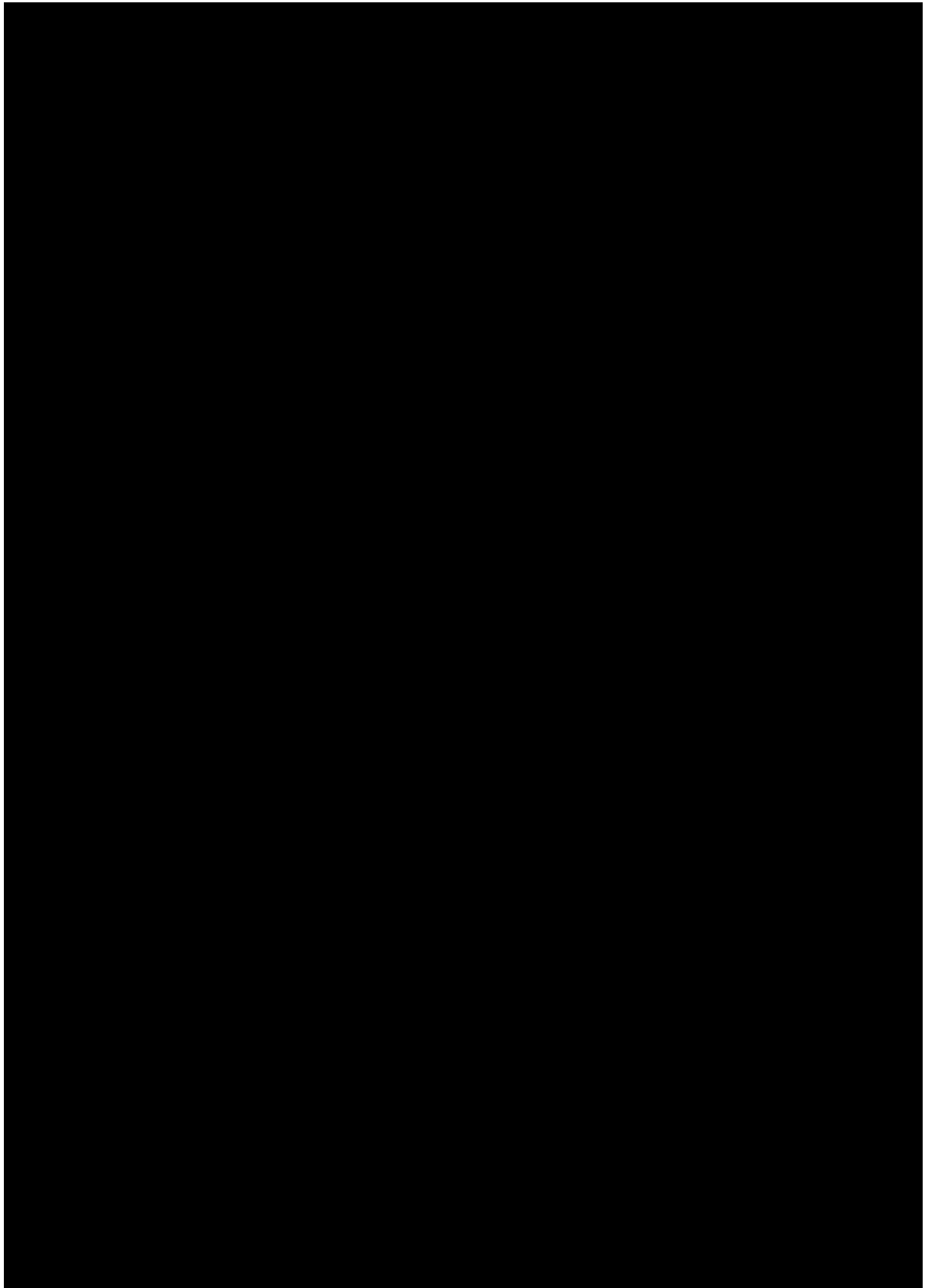
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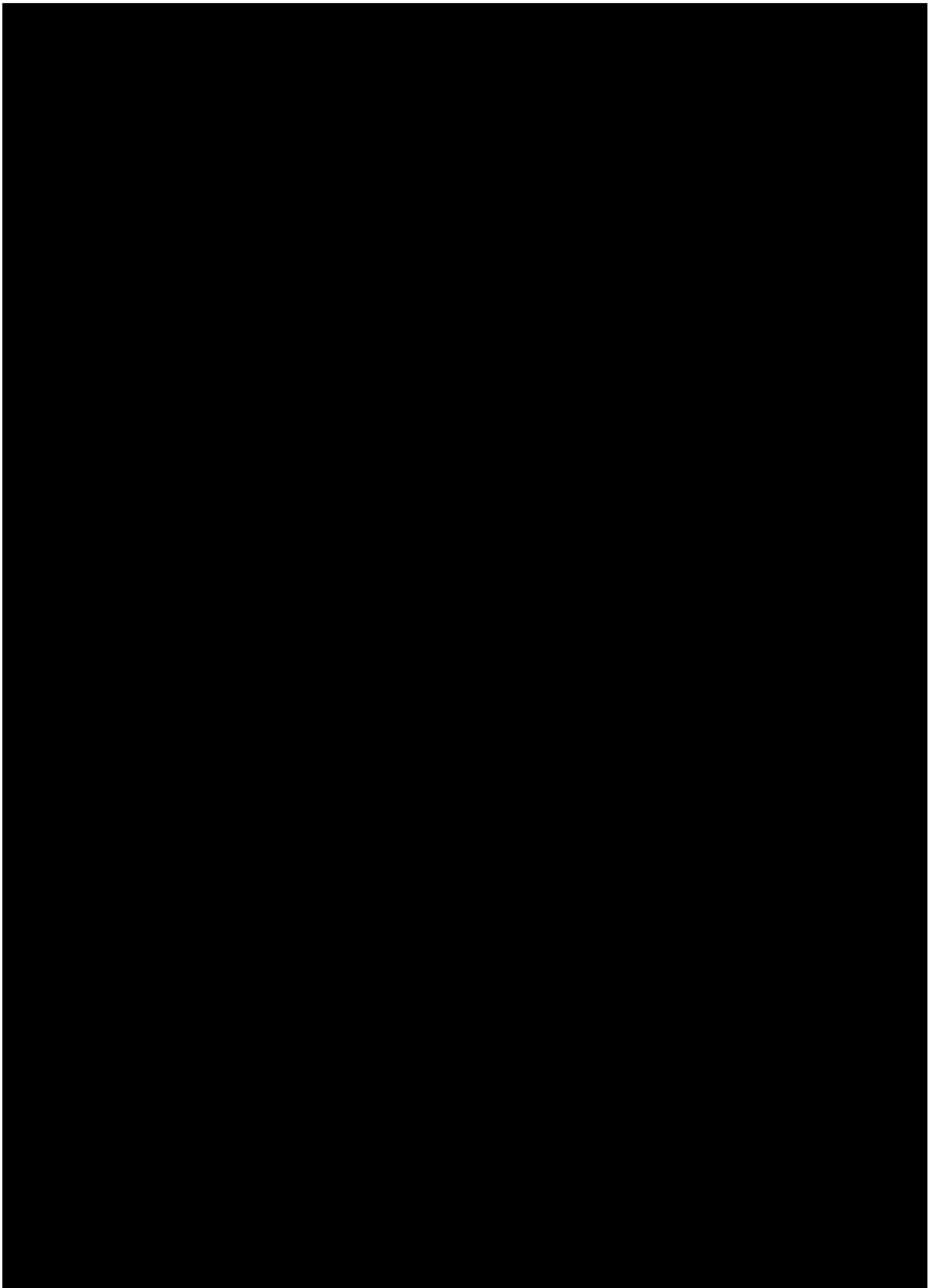
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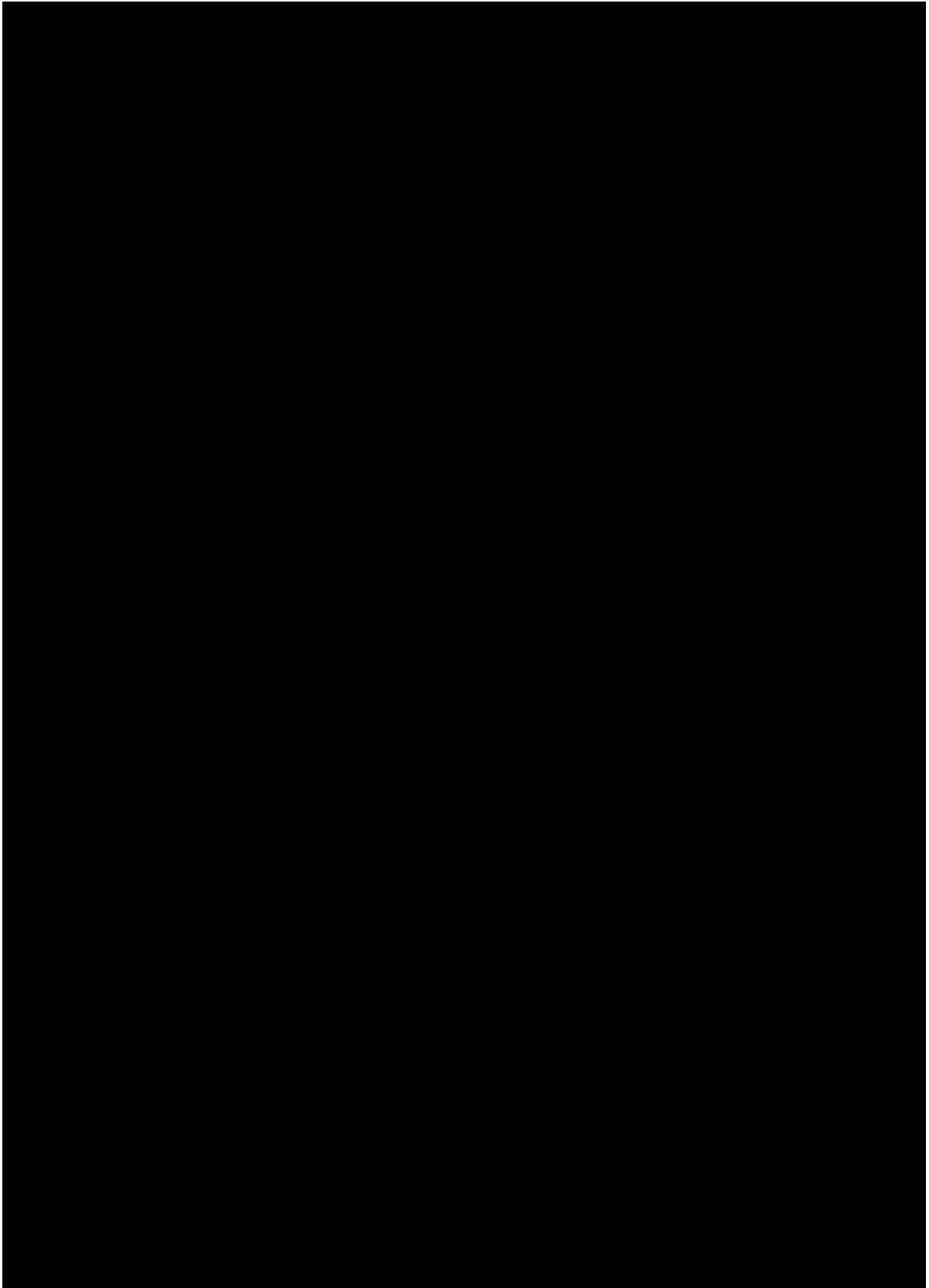
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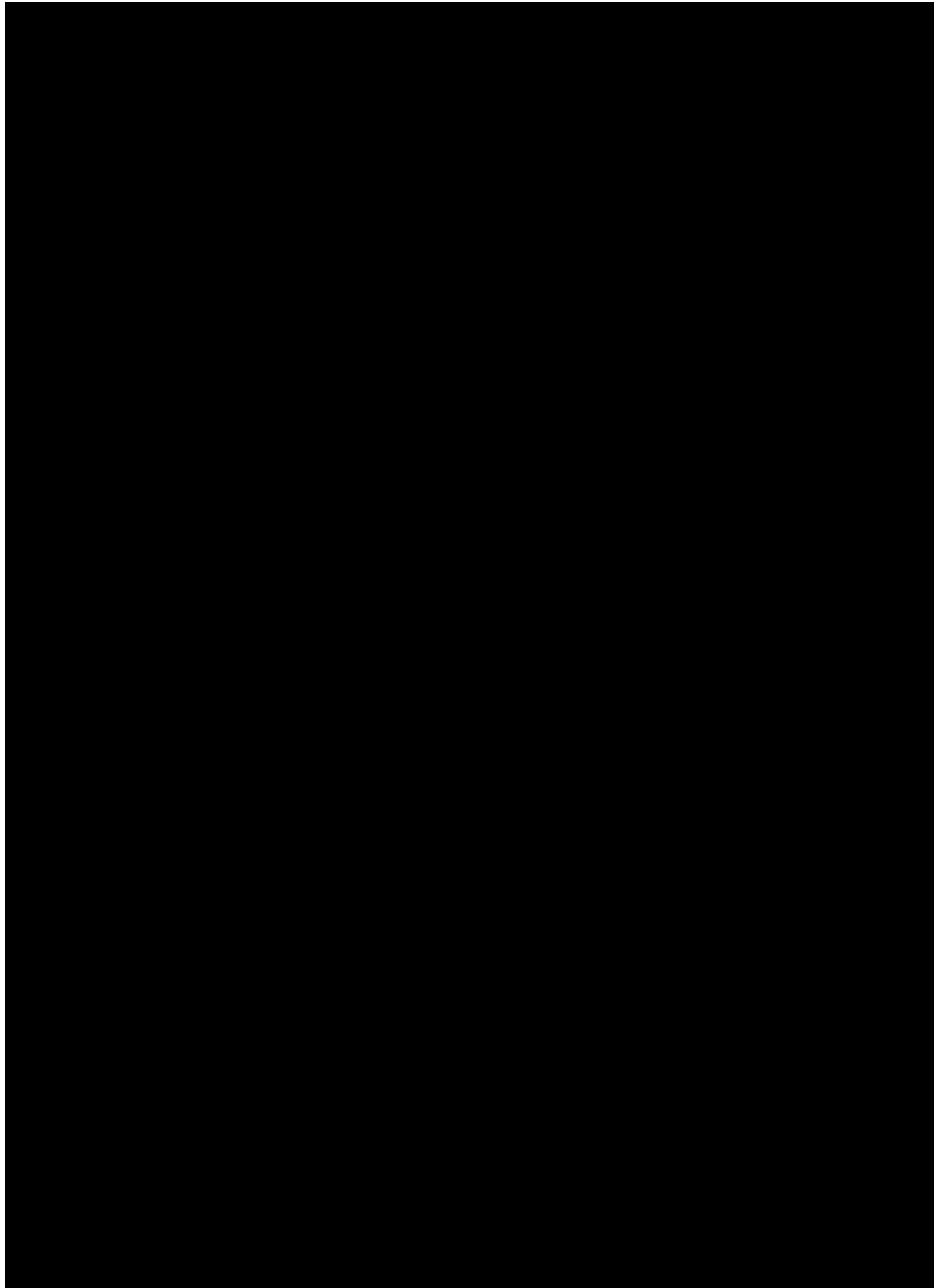


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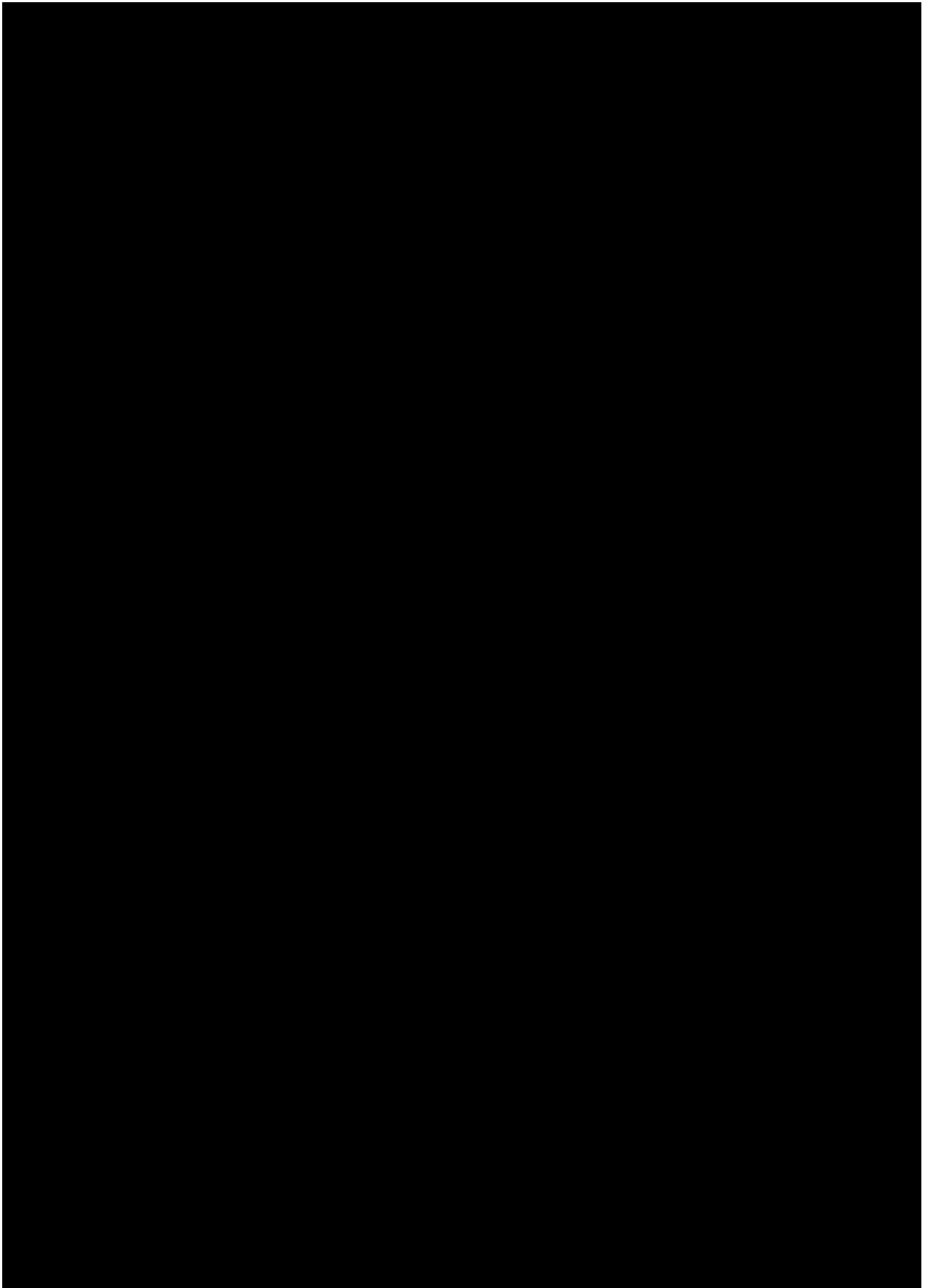




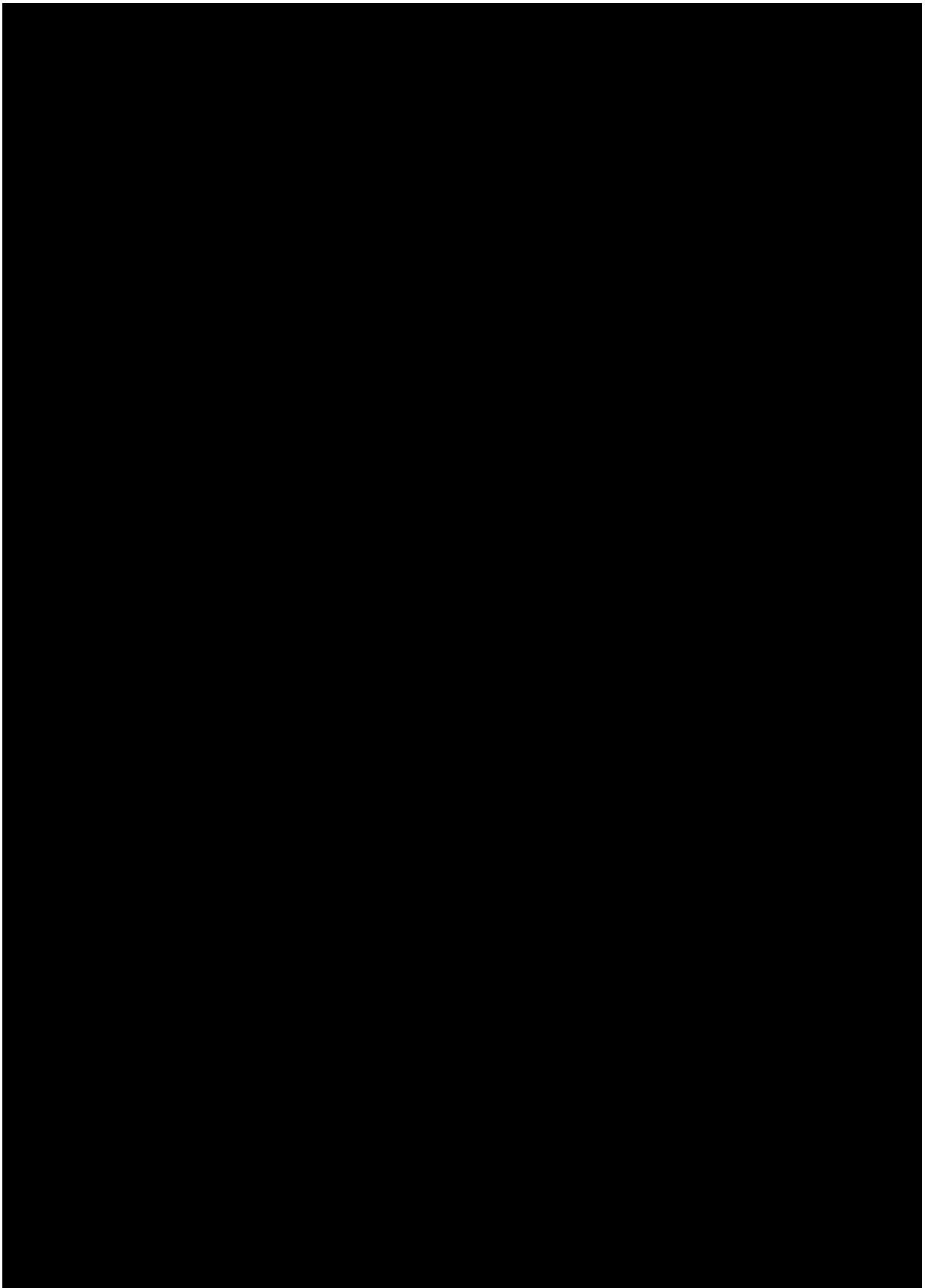
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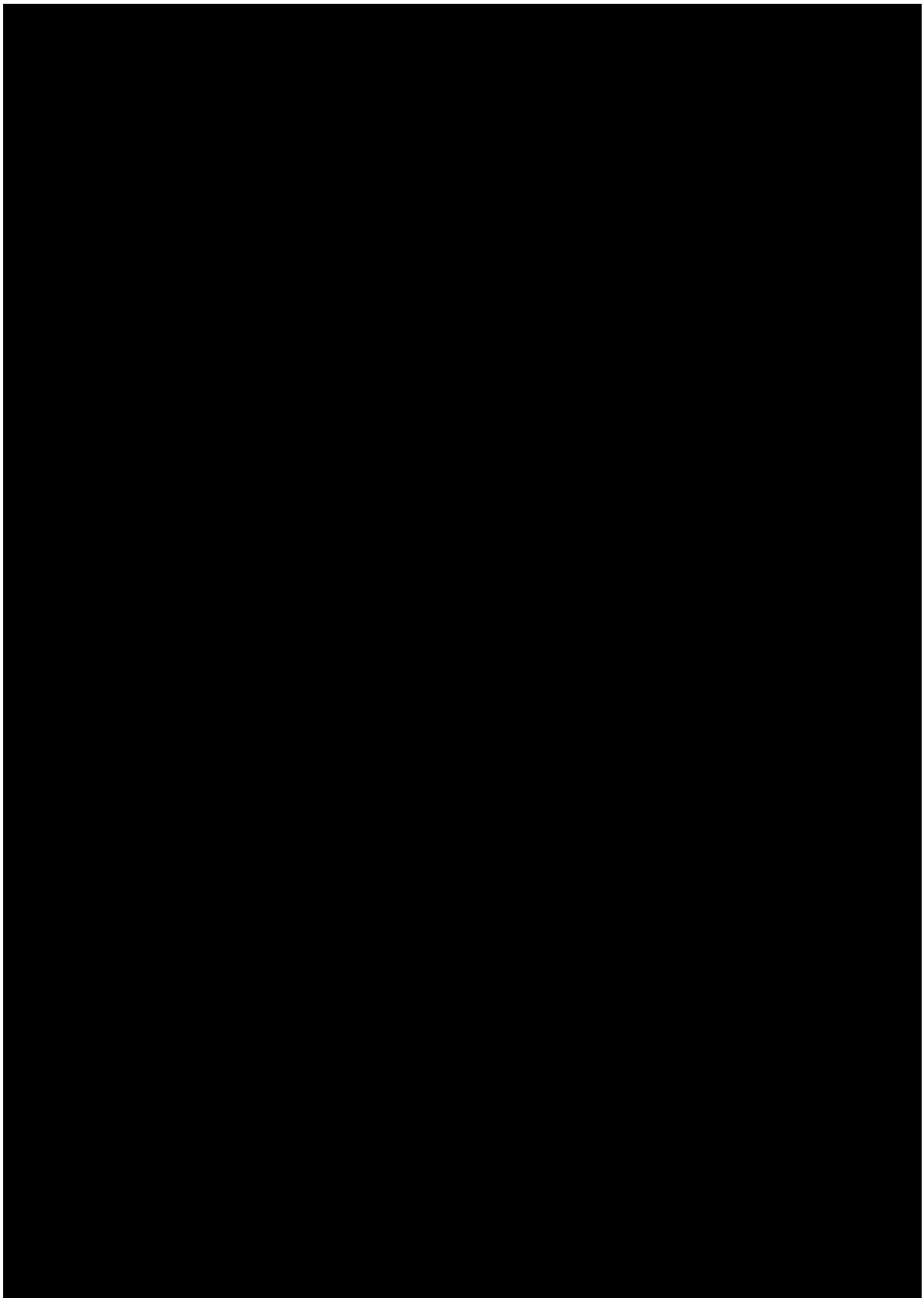
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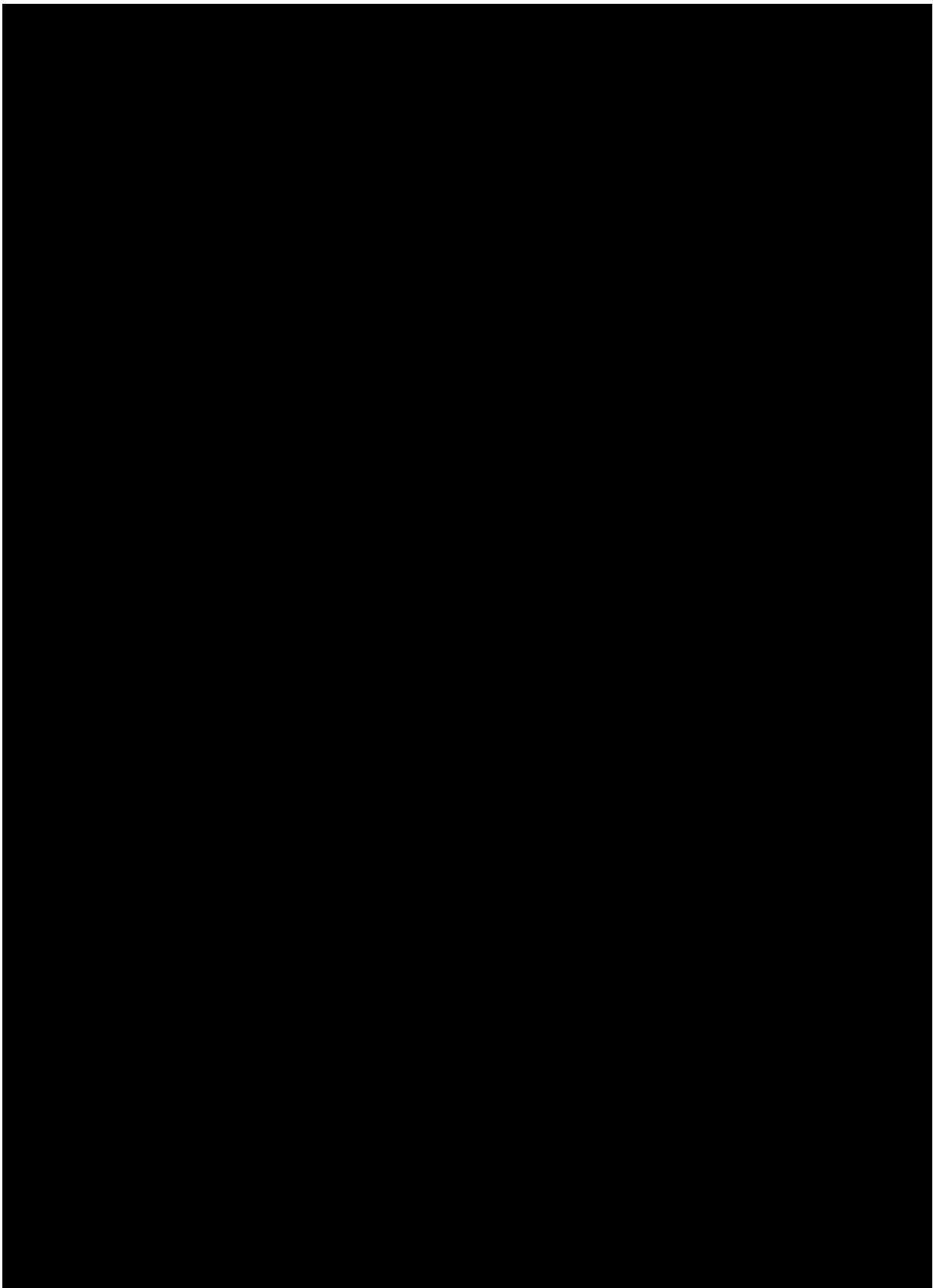
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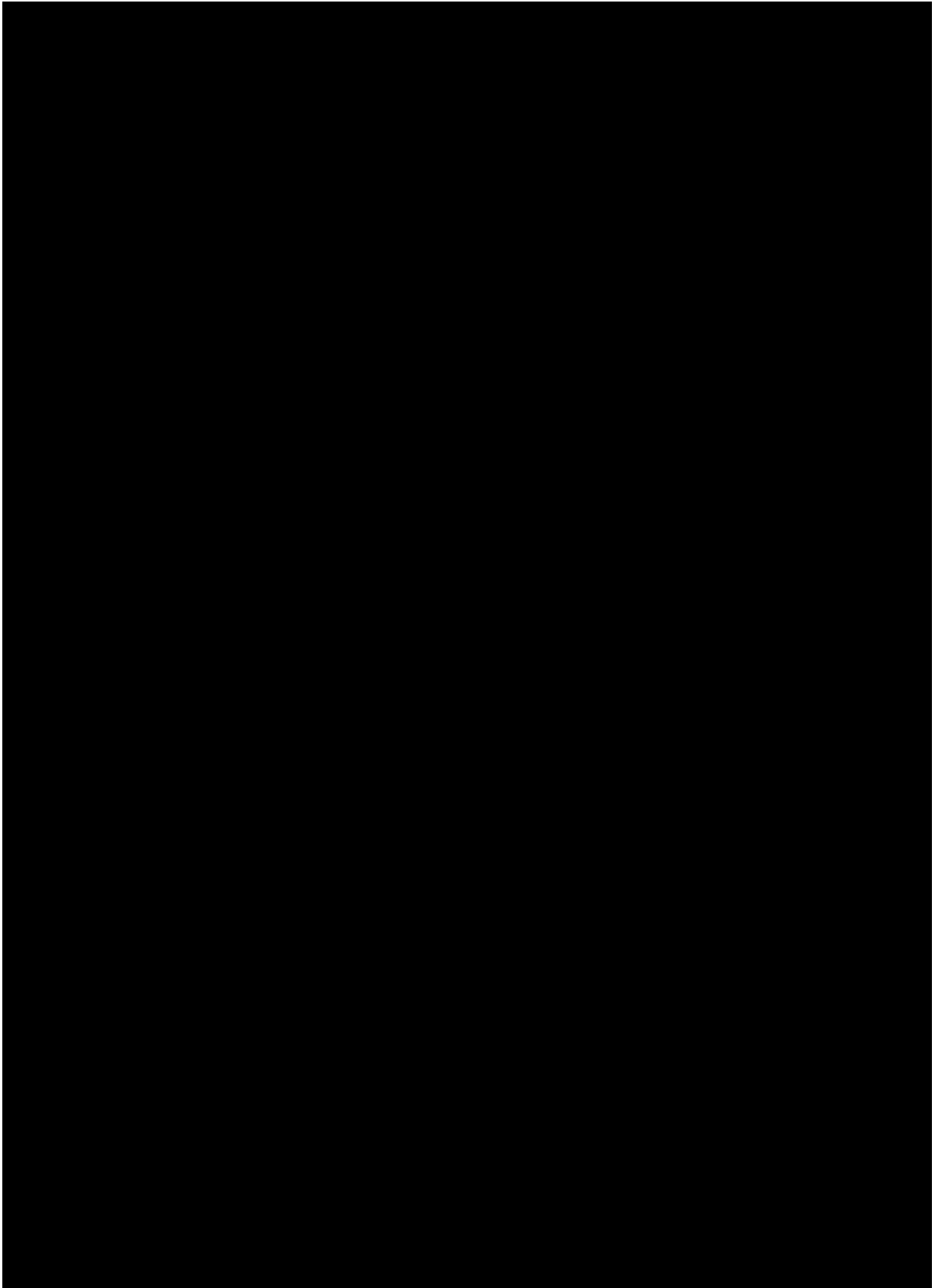
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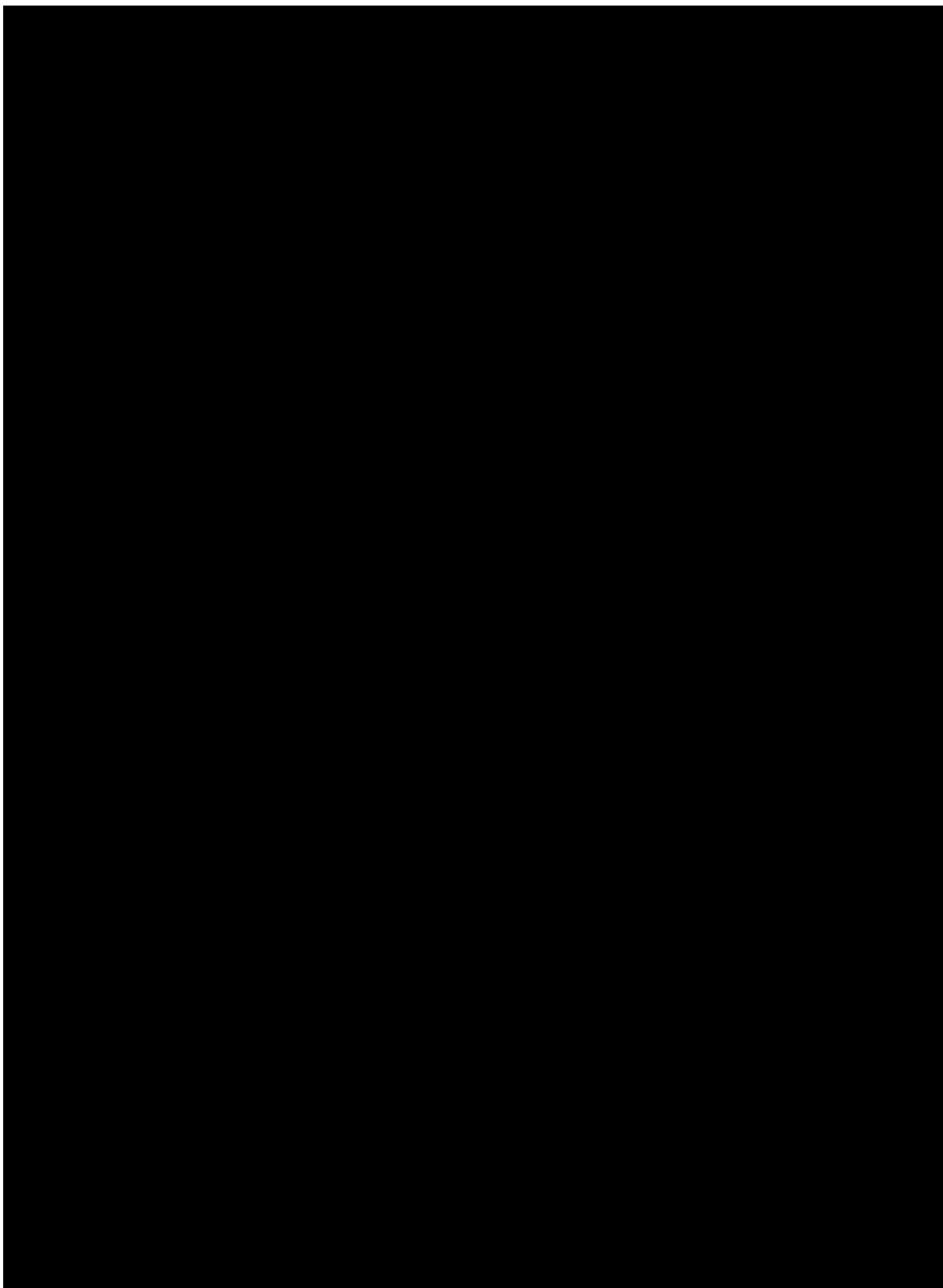
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THE WITNESS: There are a lot of

1           S. Leontiev -- CONFIDENTIAL  
2           words which you gave your own  
3           impression of that. That would be not  
4           my point of view.

5           My point of view is that they  
6           were part of the structure of  
7           Probusinessbank and every bank in  
8           every country is using  
9           off-balance-sheet entities. The whole  
10          markets of subordinated loans  
11          structured wealth management products  
12          structured that way everywhere.

13          Q.       Was Dunning Finance one of the  
14          off-balance-sheet entities created by  
15          Probusinessbank employees?

16          A.       I don't know exactly about this  
17          company.

18          Q.       [REDACTED]  
19          [REDACTED]

20          A.       [REDACTED]

21          Q.       [REDACTED]  
22          [REDACTED]

23          A.       [REDACTED]  
24          [REDACTED]

25          Q.       Is Finbay one of the



1                   S. Leontiev -- CONFIDENTIAL  
2       off-balance-sheet companies established by  
3       Probusinessbank employees?

4           A.       Yes.

5           Q.       What about Greenex Trading?

6           A.       I don't remember.

7           Q.       And Vermenda Holdings, was that  
8       an --

9           A.       We discussed already.

10          Q.       It was an off-balance-sheet  
11       entity created by Probusinessbank  
12       employees?

13          A.       Yes.

14          Q.       [REDACTED]

15       [REDACTED]

16          A.       [REDACTED]

17       [REDACTED]

18       [REDACTED]

19       [REDACTED]

20       [REDACTED]

21       [REDACTED]

22       [REDACTED]

23       [REDACTED]

24          Q.       The business unit heads at  
25       Probusinessbank worked for you as

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2 president of Probusinessbank; right?

3 A. They worked for the bank.

4 Q. And you were president of the  
5 bank?

6 A. Yes.

7 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

8 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED]

13 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

14 [REDACTED]

15 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

16 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

20 A. [REDACTED]

21 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

23 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

24 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

25 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

1 S. Leontiev -- CONFIDENTIAL

2 A. [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 Q. [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. You don't understand my  
15 question?

16 A. No.

17 Q. [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 A. [REDACTED]

25 [REDACTED]

1 S. Leontiev -- CONFIDENTIAL

2 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

3 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

4 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

6 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

7 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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11 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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15 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

16 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

20 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

22 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

23 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

24 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

25 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

1 S. Leontiev -- CONFIDENTIAL

2 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

3 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

4 A. [REDACTED] [REDACTED]

5 Q. [REDACTED] [REDACTED]

6 A. [REDACTED] [REDACTED]

7 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

13 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

14 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

15 Q. Okay.

16 A. Because the system of the  
17 business bank was done that way that I  
18 never was involved in any specific deal.  
19 The interest rate will be put by the  
20 treasury of the bank and the treasury was  
21 putting an interest rate on all these  
22 deals.

23 Q. And the business unit heads were  
24 making a determination about how much  
25 interest they should charge to earn a

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2                   You participated in that  
3 process?

4           A.       Of course.

5           Q.       And was it standard under the  
6 policies of the bank to review financial  
7 statements before making a loan to a  
8 company?

9           A.       We had a completely different  
10 approach to that and that's exactly what  
11 I'm explaining to you we're making  
12 investments here in the U.S. The  
13 intangible part is the main side so we  
14 will give complete authority to the loan  
15 officer and the loan officer will have  
16 complete responsibility and also he will  
17 have a share of the profits.

18                   So the business units I'm  
19 talking about, they were not interested  
20 not to get this loan back because they  
21 will stay without bonus and the opposite  
22 is true that if they get the loan back  
23 with interest, part of their bonus will be  
24 a share of the financial results. So  
25 every business unit will have a share and

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2       that's your question about partners. That

3       was what was the partnership model of the

4       bank that each head of business unit will

5       get some share of financial results each

6       year and each quarter sometimes. So

7       that's why the they had the whole

8       responsibility and the whole authority and

9       they have the right to take decisions.

10      The risk management was just doing the

11      audit and looked at people following the

12      general policy and that's it. Otherwise,

13      the business units were the people take

14      all the decisions.

15      Q.     [REDACTED]

16     [REDACTED]

17     [REDACTED]

18     [REDACTED]

19      A.     [REDACTED]

20      Q.     [REDACTED]

21      A.     [REDACTED]

22      Q.     [REDACTED]

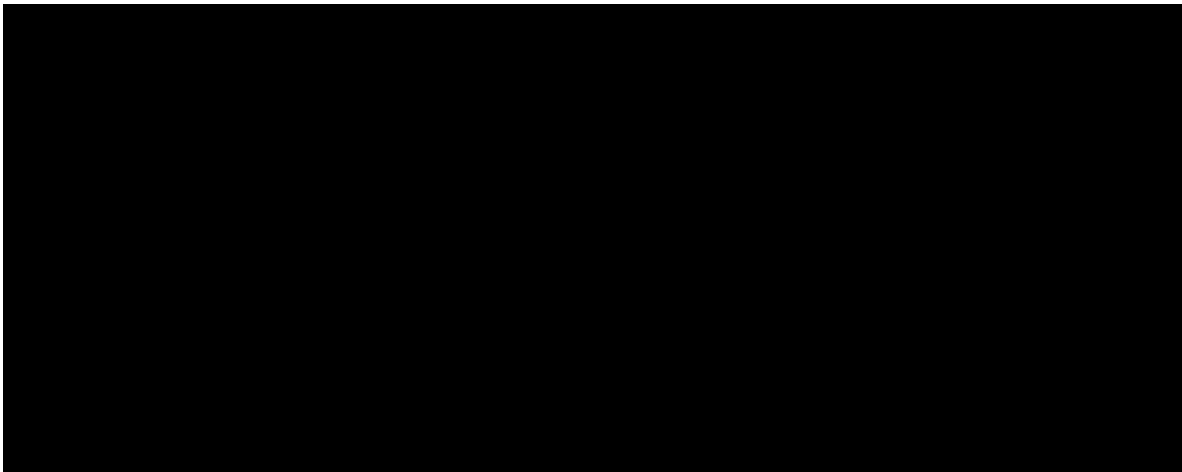
23     [REDACTED]

24      A.     [REDACTED]

25      Q.     [REDACTED]

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Q. Did you have an understanding about the interest rate that off-balance-sheet entities created by bank employees had to pay investors in the products that you described earlier?

A. Can you say it once again?

Q. Did you know for example, that Ambika, one of the off-balance-sheet entities, was borrowing money at between nine and fourteen percent from investors?

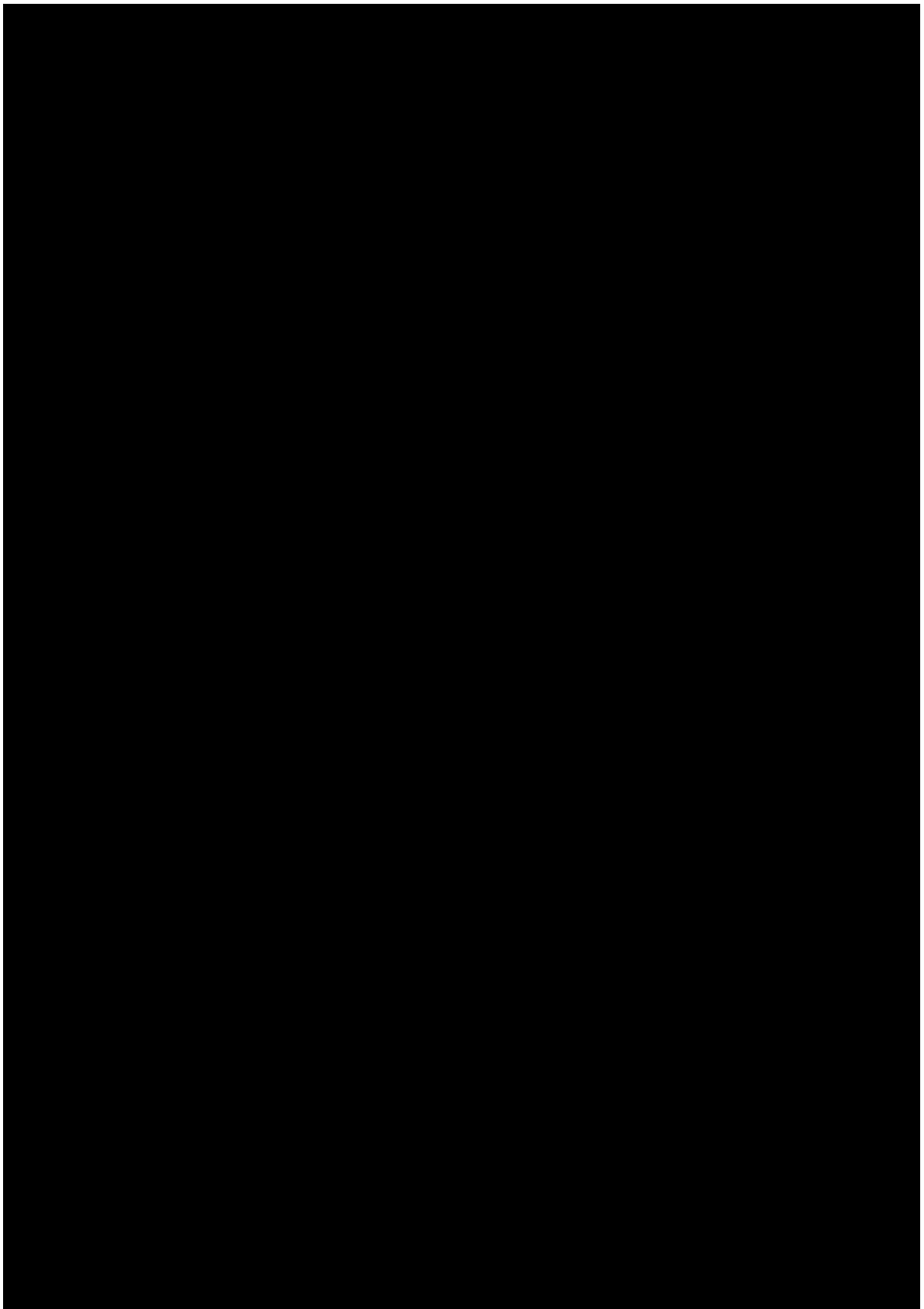
A. I knew nothing about this specific deal, but it was part of the wealth management product as I explained.

Q. And it was to offer interest rates of between nine and fourteen percent?

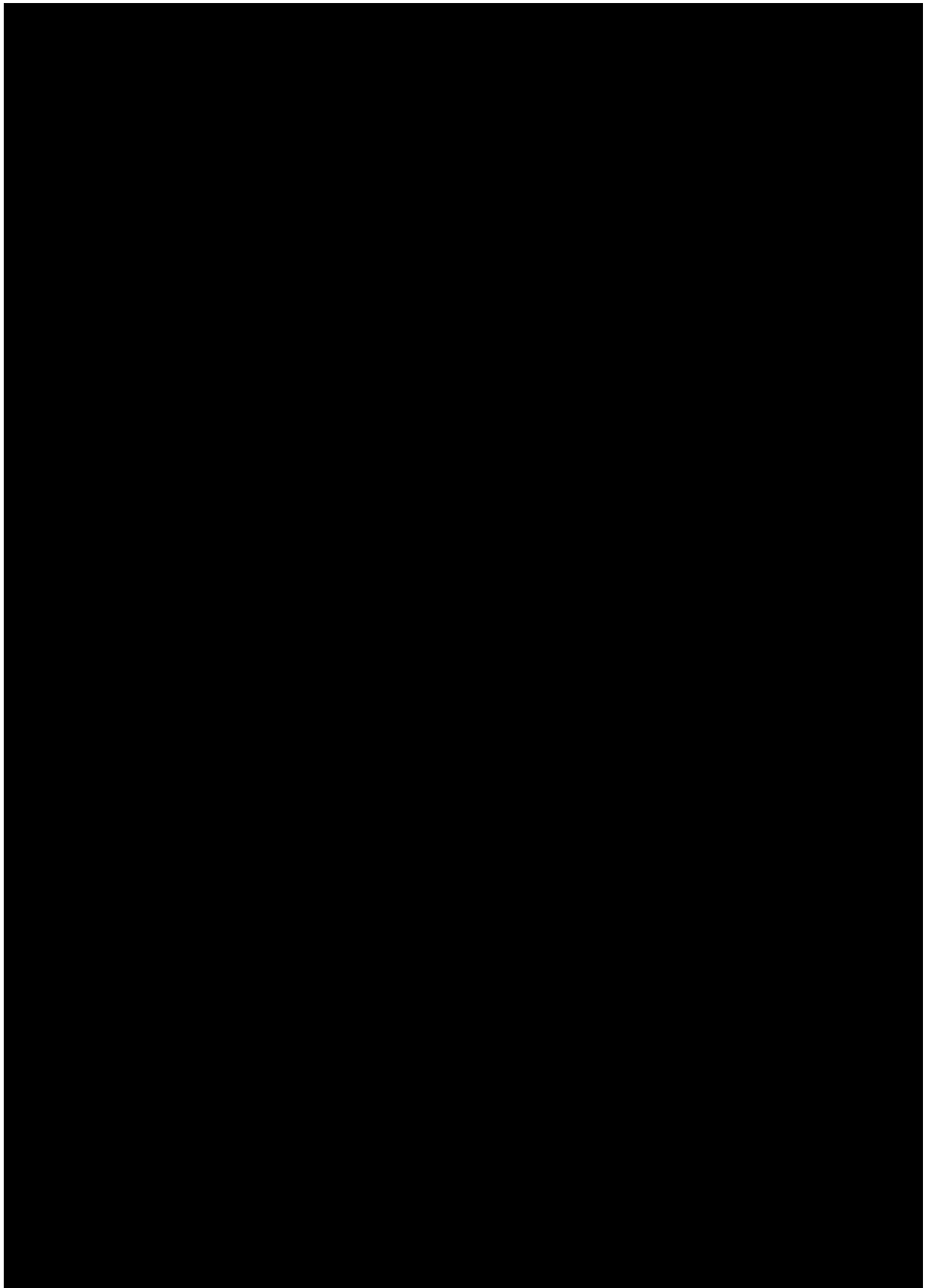
A. Yes.



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1           S. Leontiev -- CONFIDENTIAL  
2       infrastructure, it was not part of  
3       business unit. We had business units  
4       which mostly were not individual entities  
5       but sometimes they were, like Express  
6       Volga, for example, and we had  
7       infrastructure.

8           My job at the bank, I managed  
9       head of business units, not the  
10      infrastructure. So if they decided -- if  
11      there was a sense to do the deal, they  
12      decided that they'll go to Vyulkova and  
13      Vyulkova will provide the infrastructure,  
14      that's what you call all these entities  
15      which you're interested in so much. They  
16      are part of this infrastructure.

17      Q.       But they're off balance sheet;  
18      right?

19      A.       These ones were off balance  
20      sheet.

21           If the product needed the  
22      off-balance-sheet structure, then it was  
23      provided that way. If it didn't, then  
24      there were no off-balance-sheet companies.  
25      So it depends on the structure of the

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2 [REDACTED]

3 A. [REDACTED] [REDACTED]

4 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

6 [REDACTED] [REDACTED]

7 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

8 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

13 A. If I would have done this, it  
14 will be like, I don't know, it will be  
15 breach of principle number one of values  
16 of the group. So the basic concept was  
17 that these people are independent and make  
18 their own decisions. I never will  
19 micromanage and that's up to them to make  
20 all decisions. I will never do this.

21 What I was involved in, as I  
22 explained, creating routes how they make  
23 all these deals but I was not allowed to  
24 take a decision instead of somebody.

25 Q. On behalf of Probusinessbank?

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2 those contracts?

3 A. Not Ambika. Probusinessbank.

4 Q. I'm asking about Ambika.

5 A. It was part of infrastructure.

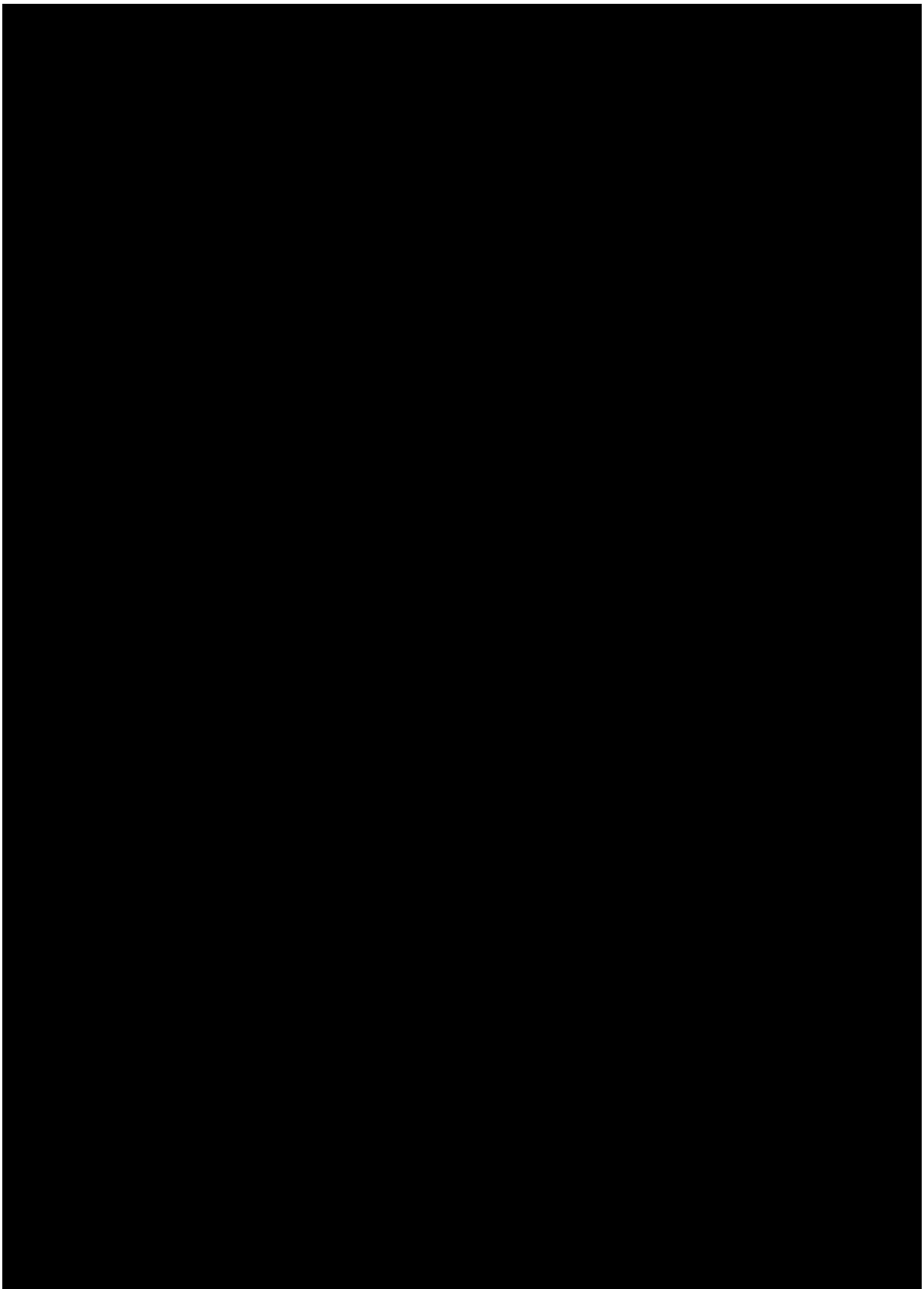
6 Q. So you collapsed any profits  
7 and loss at Ambika to Probusinessbank even  
8 though it was an off-balance-sheet entity?

9 A. I don't know anything about  
10 Ambika. I don't know the time company  
11 existed. I'm just explaining how the  
12 system worked.

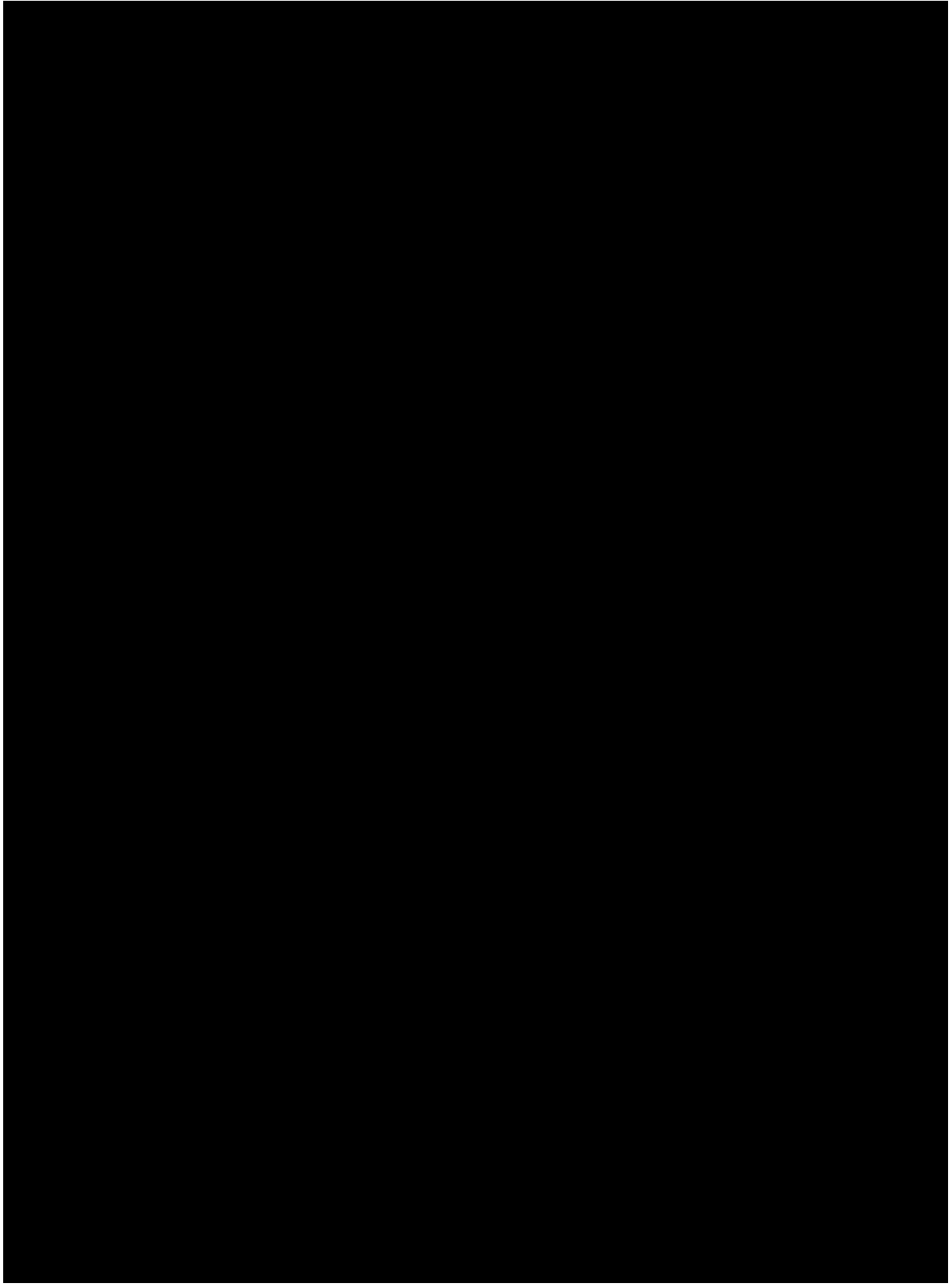
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25 Q. Are there others in particular

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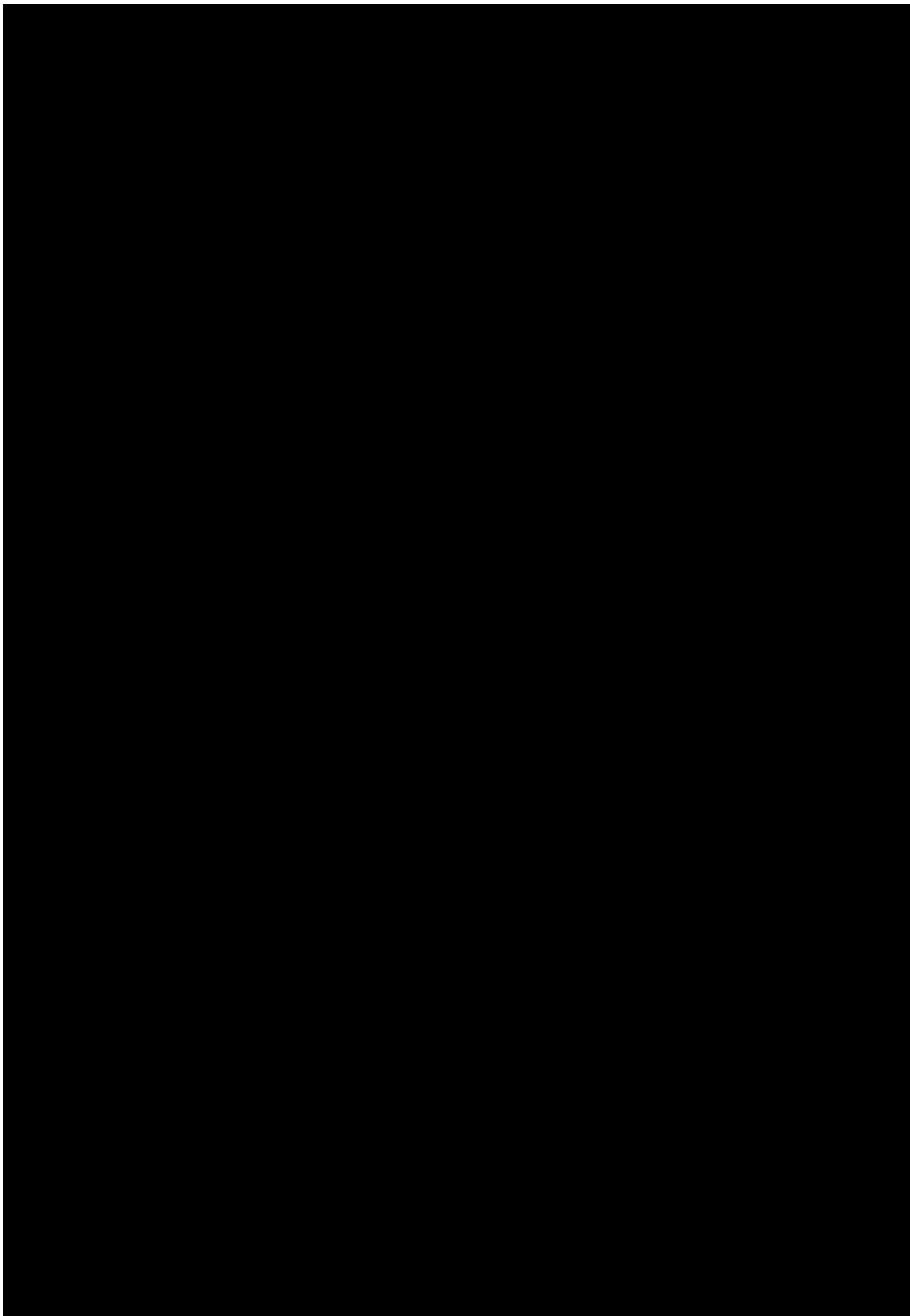


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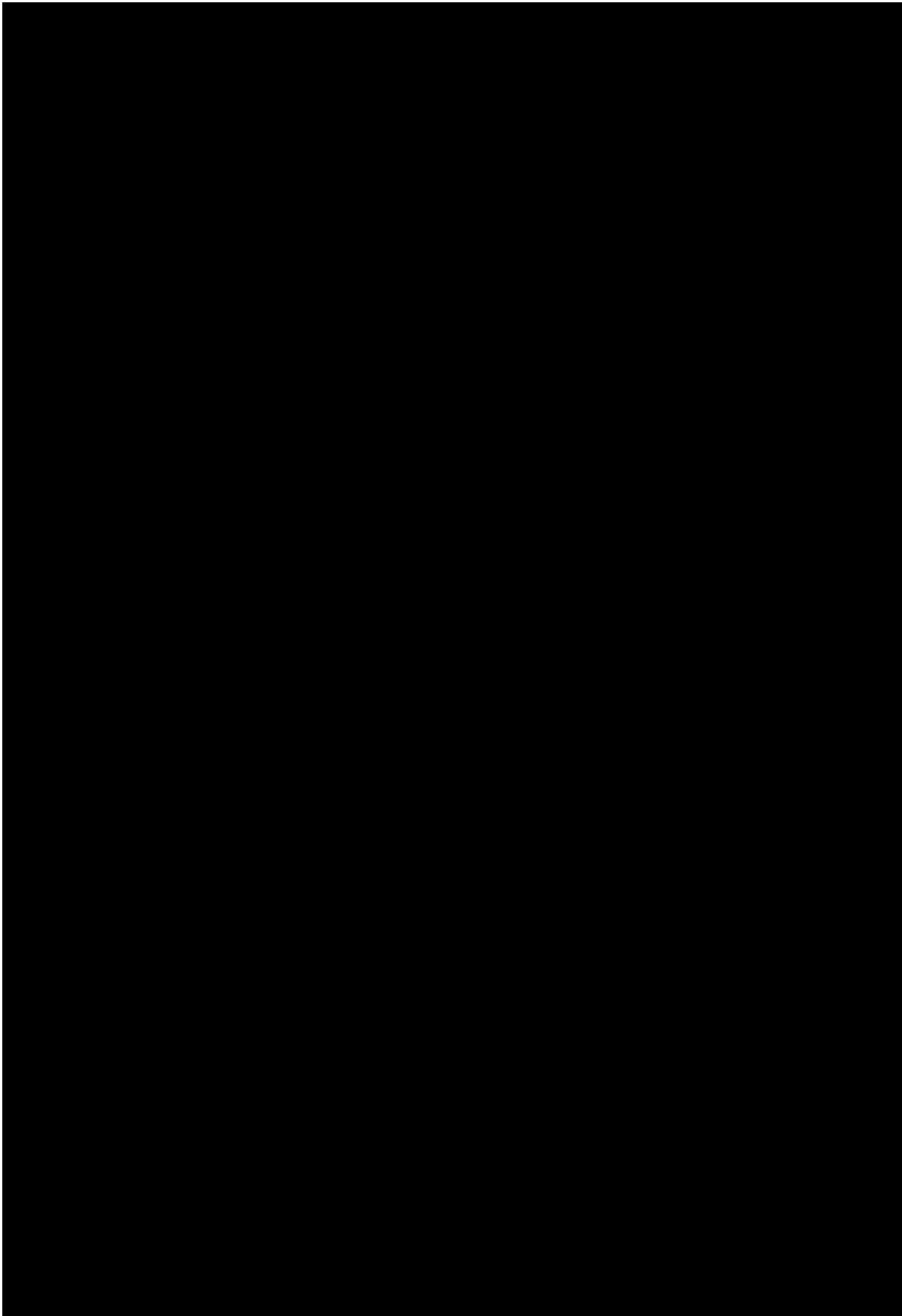
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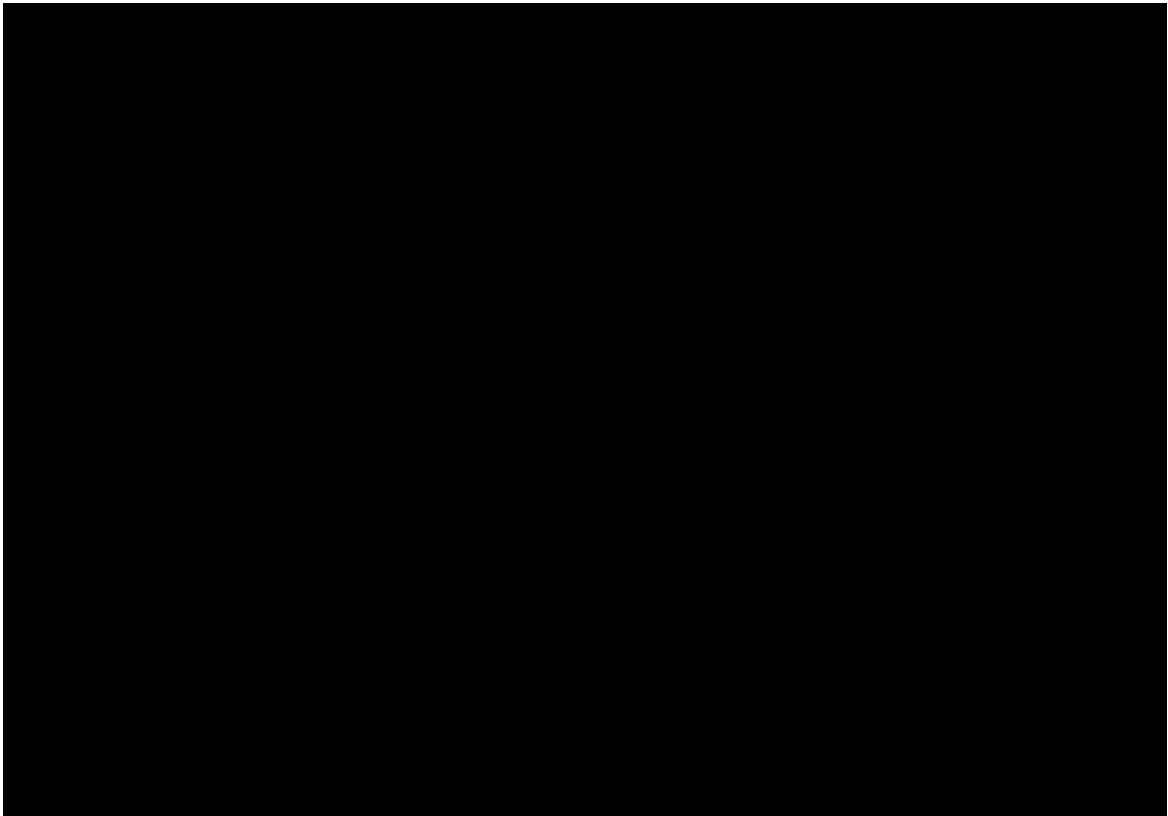




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MR. WEIGEL: Sean, when you get  
to a good breaking point.

MR. HECKER: We can break now.

THE VIDEOGRAPHER: We're going  
off the record at 3:58 p.m.

This marks the end of media  
three.

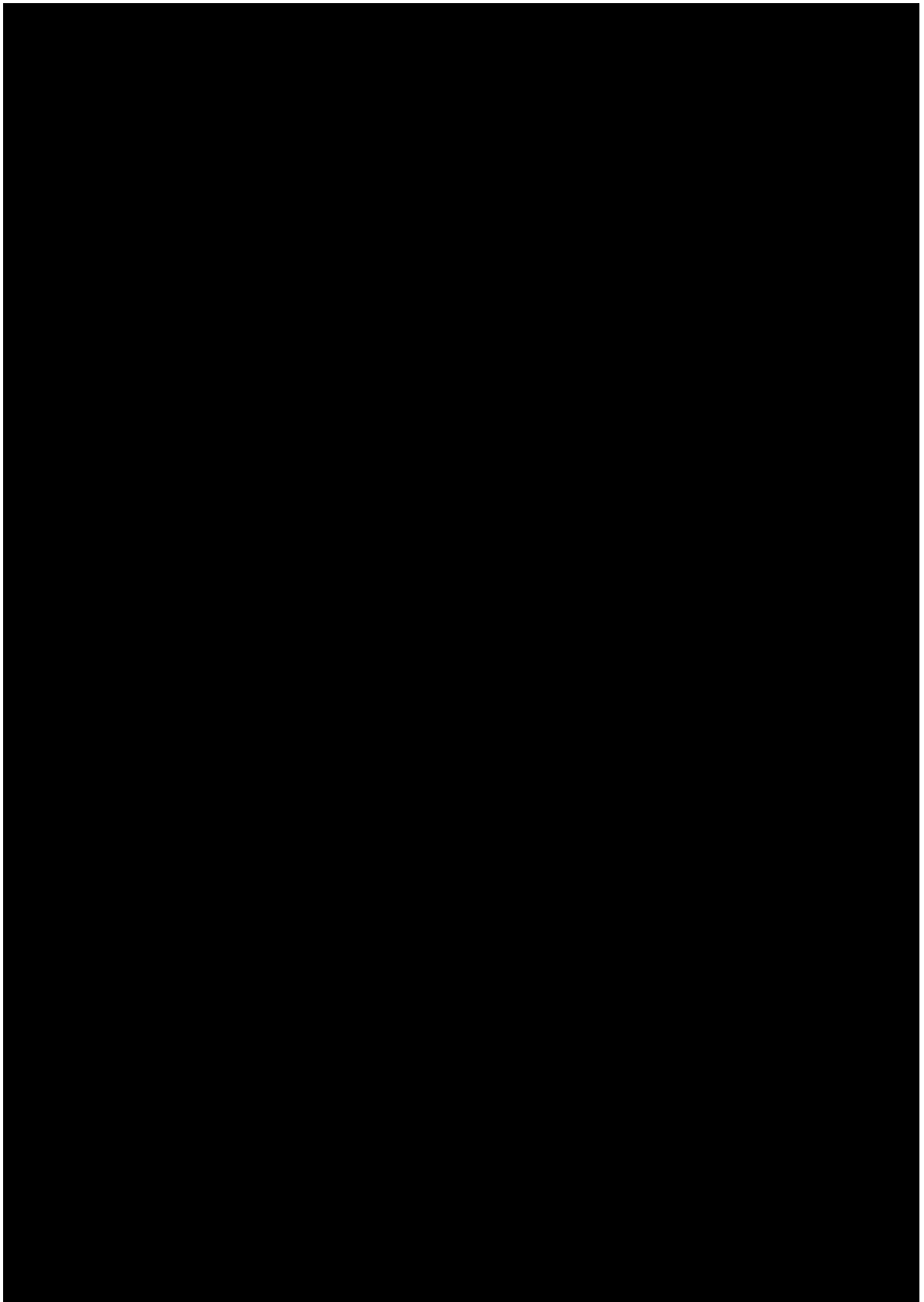
(Whereupon a break was taken)

THE VIDEOGRAPHER: We are back on  
the record at 4:14 p.m.

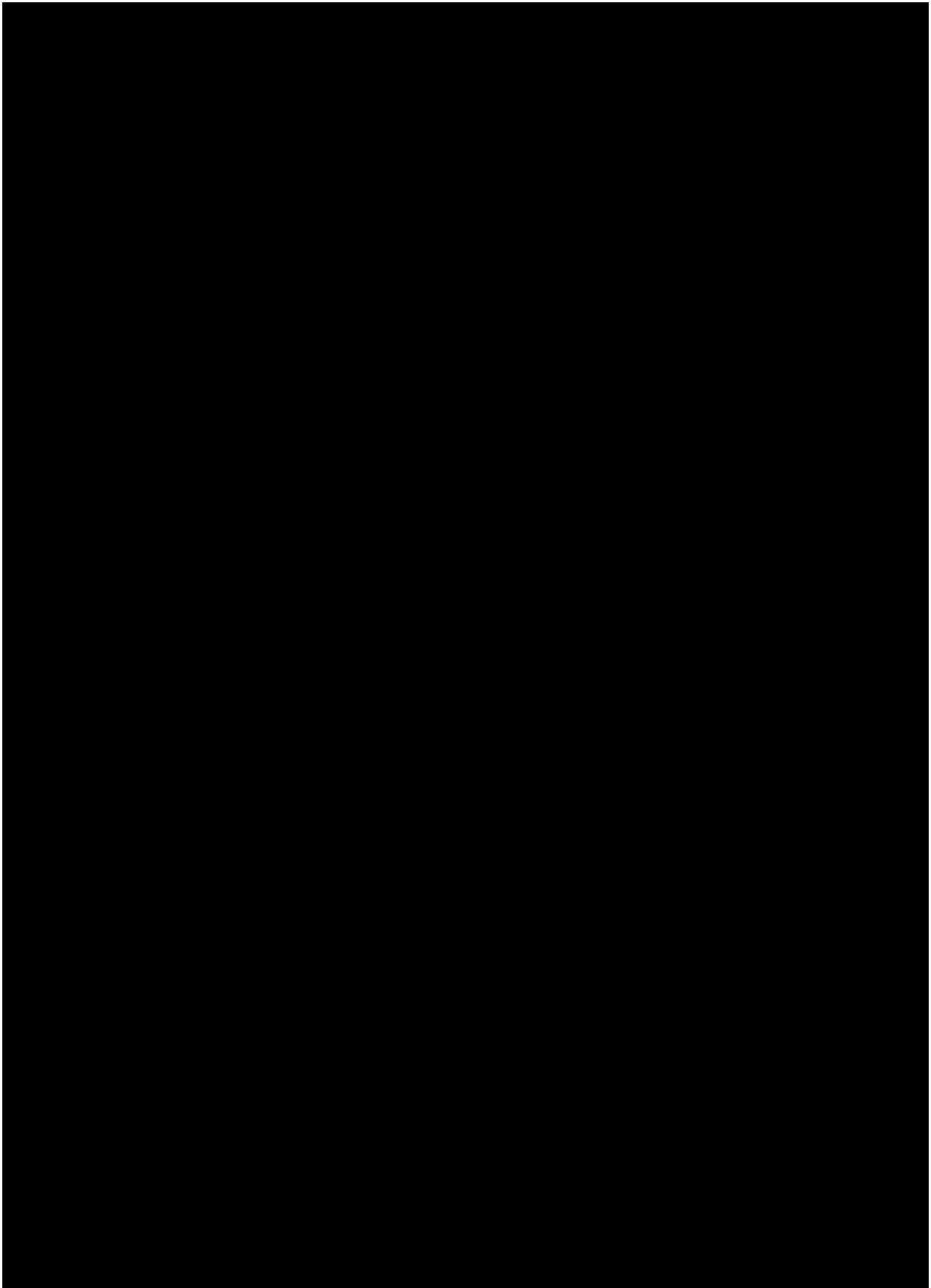
This marks the beginning of  
media four.

MR. WEIGEL: While we were off

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2 MR. WEIGEL: I object to the  
3 form. Compound. Misstates the  
4 record.

5 Q. You can go ahead.

6 A. Yes.

7 You're asking very hypothetical  
8 question. We earned the money from wealth  
9 management product went in the capital of  
10 the bank. So with the leverage one to  
11 ten, it was highly profitable business.  
12 Also on the retail part of the bank, we  
13 earned actually seventy percent interest.  
14 So it was absolutely not a problem for  
15 Probusinessbank to pay this high interest.

16 But it happened that, for a  
17 specific short period of time, different  
18 companies had specific funds while they  
19 were transiting the capital so they tried  
20 to use every day to earn something. So  
21 that was not the main source of income but  
22 an additional source of income in that  
23 case.

24 But I'm not speaking about  
25 Ambika here. I am explaining to you in

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2 general how the system worked.

3 Q. Explain to me how there was  
4 leverage of one to ten on wealth  
5 management products that were sold by the  
6 offshore entities.

7 How was there leverage of one to  
8 ten?

9 A. Because if I were to put the \$1  
10 million which I -- the money that I took  
11 from the client for even fourteen percent,  
12 I would put it in the capital of the bank.  
13 So the bank, Probusinessbank, will give  
14 \$10 million on this \$1. So he will earn  
15 interest on ten million while taking from  
16 the client only one million.

17 Q. Because of the regulatory  
18 capital requirements?

19 A. No, because this was an  
20 investment. That's exactly the difference  
21 between deposit and investment.  
22 Investment will go into the capital of the  
23 bank and from the capital I have an  
24 opportunity to give -- I have a leverage  
25 and on the leverage I would earn much more

1           S. Leontiev -- CONFIDENTIAL  
2       than on the capital itself. That's why it  
3       was so interesting but that's why it was  
4       also risky for the client and the clients  
5       wanted to have fourteen percent, not two  
6       percent, so that's why they were asking  
7       for that product, and that's how it works.

8           Q.       Did you have any personal  
9       discussions with any of the people who  
10      invested money in what you're describing  
11      as wealth management products sold by  
12      Probusinessbank through these offshore  
13      entities?

14          A.       I cannot remember.

15          Q.       Did you have discussions prior  
16      to investments made by Avilon with Avilon  
17      representatives?

18          A.       I never knew them. I met  
19      Varshavsky first when the license was  
20      revoked some period of time.

21          Q.       [REDACTED]  
22      [REDACTED]  
23      [REDACTED]  
24      [REDACTED]  
25      [REDACTED]

1 S. Leontiev -- CONFIDENTIAL

2 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

3 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

4 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

6 [REDACTED]

7 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

8 [REDACTED] [REDACTED]

9 A. [REDACTED] [REDACTED]

10 Q. [REDACTED] [REDACTED] [REDACTED]

11 A. [REDACTED]

12 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

13 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

15 [REDACTED]

16 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

17 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED]

20 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

23 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

24 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

25 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]



1 S. Leontiev -- CONFIDENTIAL

2 A. [REDACTED]

3 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

4 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED] [REDACTED]

6 [REDACTED] [REDACTED] [REDACTED]

7 [REDACTED]

8 Q. [REDACTED] [REDACTED] [REDACTED]

9 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

13 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

15 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

16 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

20 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED]

23 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

24 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

25 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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2 Q. You've read the testimony that  
3 Mr. Zheleznyak gave in connection with  
4 this case?

5 A. Can you say it once again?

6 Q. You've reviewed the testimony  
7 that Mr. Zheleznyak gave when he was  
8 deposed in this case?

9 A. If I see his --

10 Q. You've read his testimony?

11 A. Yes.

12 Q. You saw that he testified that  
13 in 2008 that you asked him to acquire a  
14 large loan from Avilon? Do you recall  
15 seeing that testimony? Is that accurate?

16 A. Well, I was speaking at strategy  
17 session which we held every month. There  
18 were about three hundred managers there  
19 and I was introducing the wealth  
20 management product, 2008, I suppose, or  
21 something like that. He was there so he  
22 was one of the managers who was listening  
23 to that.

24 Q. Did you ask him to acquire a  
25 large loan from Avilon in particular in

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2 2008?

3 A. I don't remember. I think we  
4 discussed -- after I made the speech,  
5 which was about two hours usually, then we  
6 will have discussions and every manager  
7 will tell him, look, I have such a number  
8 of clients, I have such a number of  
9 clients, so they will go and do. And  
10 maybe he was telling me the type of  
11 clients he has. It was not only Avilon.  
12 He has at least twenty, thirty clients  
13 like that. So usually -- in our  
14 management system, they decide by  
15 themselves, as I explained to you already.

16 Q. My question was really simple.

17 A. I don't recall telling him  
18 exactly that. I don't remember telling  
19 him exactly that but that could be  
20 possible that we discussed something like  
21 that.

22 Q. Okay.

23 And did you -- in 2008, was the  
24 reason that you discussed with Mr.  
25 Zheleznyak and others the need to raise

1                   S. Leontiev -- CONFIDENTIAL

2       money because of the financial crisis?

3       Was that the reason that you needed to  
4       raise funds?

5           A.       Yes.

6           Q.       And in order to do that, did you  
7       need to offer investors higher rates of  
8       return than historically would have been  
9       provided?

10          A.       No, not because of that but  
11       because of the leverage which I explained  
12       to you already.

13          Q.       Did you need to raise large sums  
14       to continue to do business and increase  
15       the capital of the bank?

16          A.       No.

17          Q.       Did you agree with Mr.  
18       Zheleznyak's testimony that at your  
19       request he went and discussed the terms of  
20       the large loan from Avilon?

21          A.       I tell you what I remember.

22          Q.       Is it your testimony that the  
23       moneys that were raised by Ambika by  
24       selling products for Probusinessbank were  
25       transferred to the treasury of

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2 Probusinessbank and are no longer  
3 available to repay investors?

4 A. Well, I don't know about this  
5 deal but everything went to treasury  
6 because it was product of the bank.

7 Q. And what about moneys loaned to  
8 FG Life?

9 A. Can you specify the question?

10 Q. Sure.

11 What happened to the moneys that  
12 were loaned to FG Life?

13 A. Went to the treasury.

14 Q. And in addition to going to the  
15 treasury, some of the moneys also went to  
16 other offshore off-balance-sheet entities  
17 created by Probusinessbank employees;  
18 correct?

19 A. They went for a short period of  
20 time and then went treasury.

21 Q. [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

24 A. [REDACTED]  
25 [REDACTED]

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2 [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
3 [REDACTED] [REDACTED] I just told you one of the  
4 options in principle which could happen.  
5 But the end destination of all these funds  
6 was treasury.

7 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
8 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
9 [REDACTED] [REDACTED] [REDACTED]  
10 [REDACTED]

11 A. [REDACTED]

12 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

13 A. [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
14 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
15 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
16 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] To  
17 pay interest of fourteen percent to the  
18 client we had to earn seventy and that's  
19 why it had to go only to the bank and the  
20 retail loans. That was the commonality of  
21 this product.

22 Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
23 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
24 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

25 A. [REDACTED]

1 S. Leontiev -- CONFIDENTIAL

2 Q. So it didn't go to the treasury  
3 in that --

4 A. But we don't know specifically  
5 the source was wealth management product.

6 Q. Because money's fungible so it's  
7 difficult to trace; right?

8 A. No, not because of that. Each  
9 product was very traceable so we  
10 understood the economy of each product and  
11 there was a product department who know  
12 for sure how many products they sold and  
13 -- because you forget that they were  
14 getting their salary as a profit.  
15 Everybody was getting a salary share of  
16 profit. That's why everybody knew exactly  
17 where, when, for what, and how much.

18 Q. Am I correct that after  
19 Probusinessbank's license was revoked on  
20 August 12, 2015, the bank was determined  
21 to be insolvent?

22 A. What do you mean determined to  
23 be insolvent?

24 Q. Was found insolvent.

25 A. I understand the procedure just

1                   S. Leontiev -- CONFIDENTIAL  
2       conference call?

3           A.       Alexander asked me to call him  
4       because he was making pressure on him. So  
5       I called him and explained to him that we  
6       have no deal, there is no settlement, that  
7       he's not pressuring Alexander anymore. He  
8       told me you must pay now specific amount  
9       and I told him that I'm not going to pay  
10      him anything. And then he told me that he  
11      starts a war against me I will regret,  
12      something like that.

13          Q.       When was this call?

14          A.       August.

15          Q.       Was it within -- how long were  
16      you in London after you left Moscow?

17          A.       I came here, I don't remember  
18      exactly, end of August or beginning of  
19      September, so the call was before that.

20          Q.       After you left Moscow, you went  
21      to London; is that right?

22          A.       Yes.

23          Q.       And after London you came to the  
24      U.S.?

25          A.       Yes.



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2 Q. Did you travel anywhere else?

3 A. No.

4 Q. And so this call happened after  
5 the in-person meeting but before you came  
6 to New York at the end of August or  
7 beginning of September?

8 A. Yes.

9 Q. This is 2015, August, 2015?

10 A. Of course.

11 Q. Did you ever meet with Mr.  
12 Varshavsky in Gstaad?

13 A. Where?

14 Q. Gstaad? You don't know what  
15 Gstaad is, the city?

16 A. No.

17 Q. You never met him any other time  
18 in person?

19 A. No.

20 Q. During the meeting that you had  
21 in London, am I correct that Mr.  
22 Varshavsky did not threaten to bring  
23 criminal charges against you if the moneys  
24 were not repaid?

25 A. He was threatening the whole

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2 understand that to mean.

3 Q. Anything else in the London  
4 meeting that you interpreted as a threat?

5 A. Sure.

6 35:44. Please understand  
7 tomorrow there will be yes, we'll have the  
8 expenses because we will need to defend  
9 him. What could happen, he could be  
10 arrested tomorrow, God forbid.

11 Q. And you interpret that to be a  
12 threat to bring criminal charges against  
13 you?

14 A. Sure. If we could bring  
15 Alexander in jail then of course he can  
16 bring me in jail.

17 Q. You don't interpret this to be a  
18 statement about the possible expenses of  
19 having to defend Mr. Zheleznyak if he's  
20 arrested?

21 A. Well, look, we're not children.  
22 If he's saying something like that, you  
23 must understand who Varshavsky is, you get  
24 it as a real threat.

25 I'll give you some more points,

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2 statement, of course, again.

3 So actually, as I explained  
4 already, it's the head of the business  
5 unit who will be doing deal with another  
6 head of another business unit and they  
7 will just use the entity as a vehicle for  
8 that. So that will be -- you always --  
9 when you say that the off-balance-sheet  
10 entity was doing business, you're always  
11 wrong, you always oppose that because they  
12 were doing no business, they were  
13 infrastructures. You must go after the  
14 source of funds. So if you go after the  
15 -- that's what recommend you to do. So if  
16 you go after the source of funds, you must  
17 find who owes the money. And this is  
18 always a business unit in our structure.  
19 So this business unit would take a  
20 decision and not an off-balance-sheet  
21 company which he just uses as a part of  
22 infrastructure.

23 Q. I don't understand it, but  
24 that's fine.

25 A. I can try it once again.

1                   S. Leontiev -- CONFIDENTIAL

2           Q.       I don't think it's going to get  
3 clear.

4                   At the beginning of your  
5 deposition today I asked you questions  
6 about whether you made efforts to collect  
7 documents from certain entities that were  
8 involved in the litigation. I want to ask  
9 you specifically go FG Life.

10                   FG Life is a company that was  
11 owned by Alivikt; correct?

12           A.       Yes.

13           Q.       And did you undertake to locate  
14 FG Life documents that were relevant to  
15 the issues in the litigation?

16           A.       I gave everything I had.

17           Q.       I'm asking about FG Life in  
18 particular.

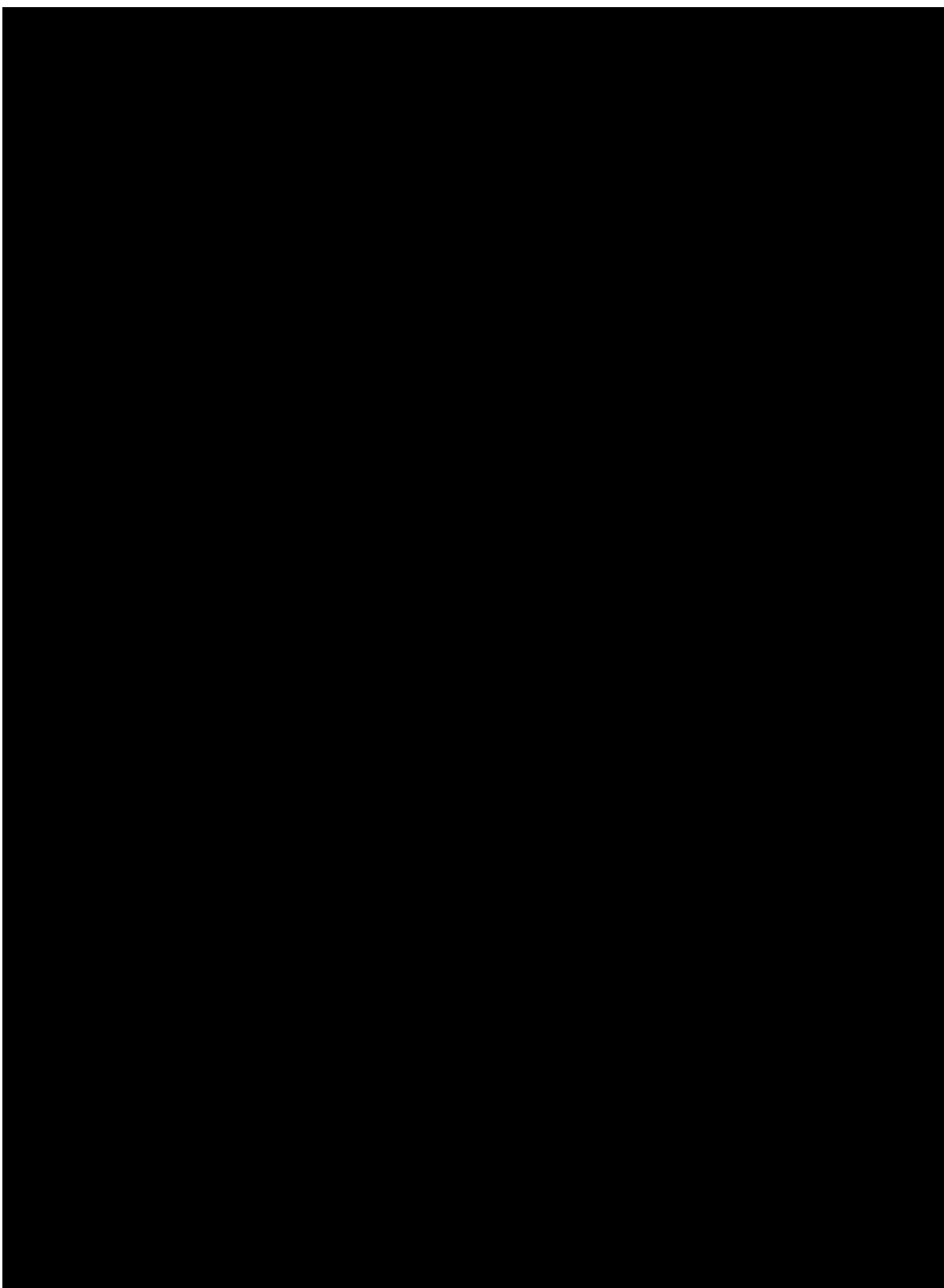
19           A.       Yes, I gave all my devices and  
20 they took everything which I said. I  
21 don't have anything else.

22           Q.       Where did FG Life documents  
23 live?

24           A.       I don't know.

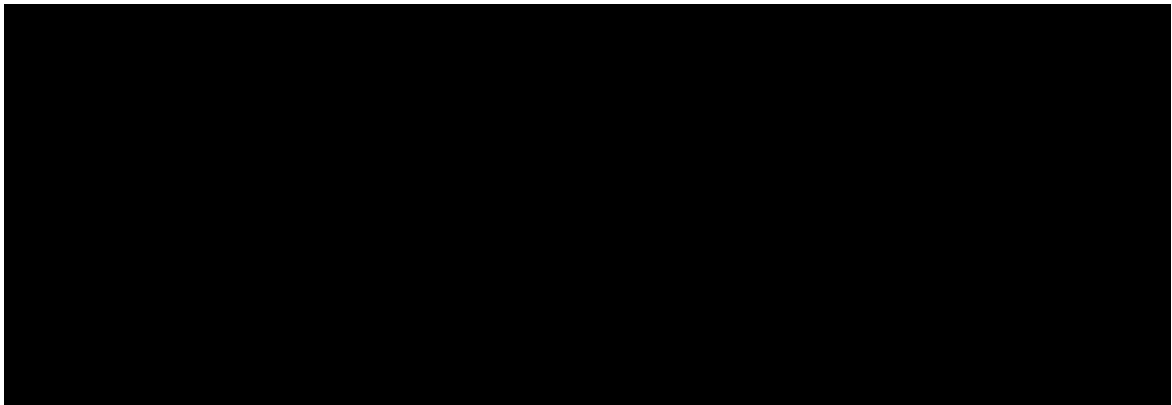
25           Q.       You don't know.

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Q. Do you agree with me that, as the managing shareholder of Probusinessbank, that you had at least an indirect relationship with the off-balance-sheet companies created by Probusinessbank employees?

MR. WEIGEL: I object to the form of the question.

Q. You can answer.

A. I was the president of the bank. These companies were part of the infrastructure. I don't fully understand.

Q. So as the president of the bank, do you believe you had a direct or indirect relationship with the off-balance-sheet entities created by bank employees who worked for you?

MR. WEIGEL: At what point in time?

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2 THE WITNESS: What time?

3 Q. At any point in time.

4 A. There's no connection. So there  
5 were hundreds of companies. I didn't know  
6 their names, I didn't know that they  
7 existed at all.

8 Q. You've described them as part of  
9 the infrastructure of Probusinessbank;  
10 right?

11 A. Of course.

12 Q. And you were president of  
13 Probusinessbank?

14 A. Yes.

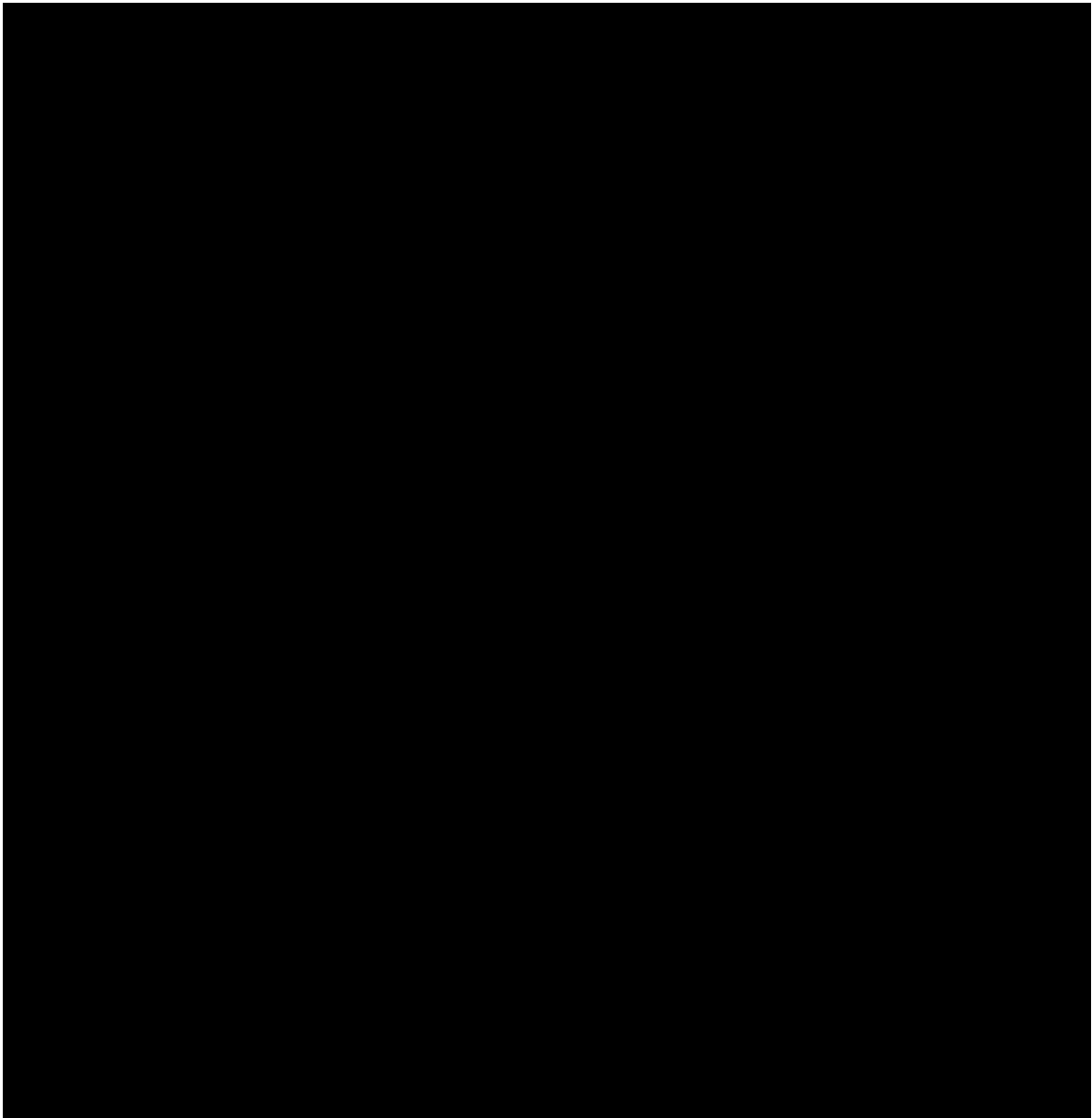
15 Q. So do you think you had a  
16 relationship directly or indirectly with  
17 the infrastructure of Probusinessbank?

18 A. I have relationship with this  
19 room. I have relationship with you now.  
20 What kind of relationship?

21 Q. So you don't understand the  
22 nature of the question that was being  
23 asked in this?

24 A. I don't understand at all what  
25 kind of nature.

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20 MR. WEIGEL: I object to the  
21 form.

22 THE WITNESS: Indirect relation?  
23 Every person has an indirect  
24 relationship to other person. We have  
25 now with each other an indirect



1           S. Leontiev -- CONFIDENTIAL  
2           relationship.

3           If you would be more specific  
4           what kind of indirect relationship you  
5           are talking about.

6           Q.       Did you have an indirect  
7           relationship with Dunning and Finbay?

8           A.       Let me answer. I was the  
9           president of the bank and these companies  
10          were off-balance-sheet companies, part of  
11          infrastructure of the bank. That's my  
12          answer to the question.

13          Q.       We've spoken about Vadim  
14          Kolotnikov.

15                   Am I correct he's now working  
16          for you at Grid Research?

17          A.       Yes.

18          Q.       You pay him a salary on a  
19          regular basis?

20          A.       The company pays him a salary.

21          Q.       And you're the owner of the  
22          company?

23          A.       I have CEO of the company.

24          Q.       Are you an owner of the company?

25          A.       No.

CERTIFICATION BY REPORTER

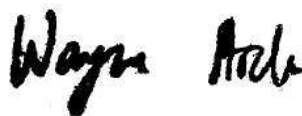
I, Wayne Hock, a Notary Public of the State of New York, do hereby certify:

That the testimony in the within proceeding was held before me at the aforesaid time and place;

That said witness was duly sworn before the commencement of the testimony, and that the testimony was taken stenographically by me, then transcribed under my supervision, and that the within transcript is a true record of the testimony of said witness.

I further certify that I am not related to any of the parties to this action by blood or marriage, that I am not interested directly or indirectly in the matter in controversy, nor am I in the employ of any of the counsel.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of January, 2017



WAYNE HOCK